

2018

SESSION LAWS

OF THE

STATE OF WASHINGTON

2018 REGULAR SESSION
SIXTY-FIFTH LEGISLATURE

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K. KYLE THIESSEN
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WASHINGTON SESSION LAWS GENERAL INFORMATION

1. EDITIONS AVAILABLE.

- (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 2018 regular session is June 7, 2018.
- (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 2018 laws may be found at the back of the final volume.

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CHAPTER 166

[Substitute House Bill 2638]

OFFENDERS--GRADUATED REENTRY--PARTIAL CONFINEMENT

AN ACT Relating to creating a graduated reentry program of partial confinement for certain offenders; amending RCW 9.94A.030, 9.94A.734, and 9.94A.190; reenacting and amending RCW 9.94A.728; and adding a new section to chapter 9.94A RCW.

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

NEW SECTION. Sec. 1. A new section is added to chapter 9.94A RCW to read as follows:

(1) No more than the final six months of the offender's term of confinement may be served in partial confinement as home detention as part of the graduated reentry program developed by the department. However, an offender may not participate in the graduated reentry program under this section unless he or she has served at least twelve months in total confinement in a state correctional facility.

(2) The secretary of the department may transfer an offender from a department correctional facility to home detention in the community if it is determined that the graduated reentry program is an appropriate placement and must assist the offender's transition from confinement to the community.

(3) The department and its officers, agents, and employees are not liable for the acts of offenders participating in the graduated reentry program unless the department or its officers, agents, and employees acted with willful and wanton disregard.

(4) All offenders placed on home detention as part of the graduated reentry program must provide an approved residence and living arrangement prior to transfer to home detention.

(5) While in the community on home detention as part of the graduated reentry program, the department must:

- (a) Require the offender to be placed on electronic home monitoring;
- (b) Require the offender to participate in programming and treatment that the department shall assign based on an offender's assessed need; and
- (c) Assign a community corrections officer who will monitor the offender's compliance with conditions of partial confinement and programming requirements.

(6) The department retains the authority to return any offender serving partial confinement in the graduated reentry program to total confinement for any reason including, but not limited to, the offender's noncompliance with any sentence requirement.

(7) The department may issue rental vouchers for a period not to exceed six months for those transferring to partial confinement under this section if an approved address cannot be obtained without the assistance of a voucher.

(8) In the selection of offenders to participate in the graduated reentry program, and in setting, modifying, and enforcing the requirements of the graduated release program, the department is deemed to be performing a quasi-judicial function.

Sec. 2. RCW 9.94A.728 and 2015 c 156 s 1 and 2015 c 134 s 3 are each reenacted and amended to read as follows:

(1) No person serving a sentence imposed pursuant to this chapter and committed to the custody of the department shall leave the confines of the correctional facility or be released prior to the expiration of the sentence except as follows:

(a) An offender may earn early release time as authorized by RCW 9.94A.729;

(b) An offender may leave a correctional facility pursuant to an authorized furlough or leave of absence. In addition, offenders may leave a correctional facility when in the custody of a corrections officer or officers;

(c)(i) The secretary may authorize an extraordinary medical placement for an offender when all of the following conditions exist:

(A) The offender has a medical condition that is serious and is expected to require costly care or treatment;

(B) The offender poses a low risk to the community because he or she is currently physically incapacitated due to age or the medical condition or is expected to be so at the time of release; and

(C) It is expected that granting the extraordinary medical placement will result in a cost savings to the state.

(ii) An offender sentenced to death or to life imprisonment without the possibility of release or parole is not eligible for an extraordinary medical placement.

(iii) The secretary shall require electronic monitoring for all offenders in extraordinary medical placement unless the electronic monitoring equipment interferes with the function of the offender's medical equipment or results in the loss of funding for the offender's medical care, in which case, an alternative type of monitoring shall be utilized. The secretary shall specify who shall provide the monitoring services and the terms under which the monitoring shall be performed.

(iv) The secretary may revoke an extraordinary medical placement under this subsection (1)(c) at any time.

(v) Persistent offenders are not eligible for extraordinary medical placement;

(d) The governor, upon recommendation from the clemency and pardons board, may grant an extraordinary release for reasons of serious health problems, senility, advanced age, extraordinary meritorious acts, or other extraordinary circumstances;

(e) No more than the final ~~((six))~~ twelve months of the offender's term of confinement may be served in partial confinement ~~((designed to aid))~~ for aiding the offender ~~((in))~~ with: Finding work ~~((and))~~ as part of the work release program under chapter 72.65 RCW; or reestablishing himself or herself in the community ~~((or no more than the final twelve months of the offender's term of confinement may be served in partial confinement))~~ as part of the parenting program in RCW 9.94A.6551. This is in addition to that period of earned early release time that may be exchanged for partial confinement pursuant to RCW 9.94A.729(5)(d);

(f) No more than the final six months of the offender's term of confinement may be served in partial confinement as home detention as part of the graduated reentry program developed by the department under section 1 of this act;

(g) The governor may pardon any offender;

~~((g))~~ (h) The department may release an offender from confinement any time within ten days before a release date calculated under this section;

~~((h))~~ (i) An offender may leave a correctional facility prior to completion of his or her sentence if the sentence has been reduced as provided in RCW 9.94A.870;

~~((i))~~ (j) Notwithstanding any other provisions of this section, an offender sentenced for a felony crime listed in RCW 9.94A.540 as subject to a mandatory minimum sentence of total confinement shall not be released from total confinement before the completion of the listed mandatory minimum sentence for that felony crime of conviction unless allowed under RCW 9.94A.540; and

~~((j))~~ (k) Any person convicted of one or more crimes committed prior to the person's eighteenth birthday may be released from confinement pursuant to RCW 9.94A.730.

(2) Offenders residing in a juvenile correctional facility placement pursuant to RCW 72.01.410(1)(a) are not subject to the limitations in this section.

Sec. 3. RCW 9.94A.030 and 2016 c 81 s 16 are each amended to read as follows:

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

(1) "Board" means the indeterminate sentence review board created under chapter 9.95 RCW.

(2) "Collect," or any derivative thereof, "collect and remit," or "collect and deliver," when used with reference to the department, means that the department, either directly or through a collection agreement authorized by RCW 9.94A.760, is responsible for monitoring and enforcing the offender's sentence with regard to the legal financial obligation, receiving payment thereof from the offender, and, consistent with current law, delivering daily the entire payment to the superior court clerk without depositing it in a departmental account.

(3) "Commission" means the sentencing guidelines commission.

(4) "Community corrections officer" means an employee of the department who is responsible for carrying out specific duties in supervision of sentenced offenders and monitoring of sentence conditions.

(5) "Community custody" means that portion of an offender's sentence of confinement in lieu of earned release time or imposed as part of a sentence under this chapter and served in the community subject to controls placed on the offender's movement and activities by the department.

(6) "Community protection zone" means the area within eight hundred eighty feet of the facilities and grounds of a public or private school.

(7) "Community restitution" means compulsory service, without compensation, performed for the benefit of the community by the offender.

(8) "Confinement" means total or partial confinement.

(9) "Conviction" means an adjudication of guilt pursuant to Title 10 or 13 RCW and includes a verdict of guilty, a finding of guilty, and acceptance of a plea of guilty.

(10) "Crime-related prohibition" means an order of a court prohibiting conduct that directly relates to the circumstances of the crime for which the offender has been convicted, and shall not be construed to mean orders directing an offender affirmatively to participate in rehabilitative programs or to otherwise

perform affirmative conduct. However, affirmative acts necessary to monitor compliance with the order of a court may be required by the department.

(11) "Criminal history" means the list of a defendant's prior convictions and juvenile adjudications, whether in this state, in federal court, or elsewhere, and any issued certificates of restoration of opportunity pursuant to RCW 9.97.020.

(a) The history shall include, where known, for each conviction (i) whether the defendant has been placed on probation and the length and terms thereof; and (ii) whether the defendant has been incarcerated and the length of incarceration.

(b) A conviction may be removed from a defendant's criminal history only if it is vacated pursuant to RCW 9.96.060, 9.94A.640, 9.95.240, or a similar out-of-state statute, or if the conviction has been vacated pursuant to a governor's pardon.

(c) The determination of a defendant's criminal history is distinct from the determination of an offender score. A prior conviction that was not included in an offender score calculated pursuant to a former version of the sentencing reform act remains part of the defendant's criminal history.

(12) "Criminal street gang" means any ongoing organization, association, or group of three or more persons, whether formal or informal, having a common name or common identifying sign or symbol, having as one of its primary activities the commission of criminal acts, and whose members or associates individually or collectively engage in or have engaged in a pattern of criminal street gang activity. This definition does not apply to employees engaged in concerted activities for their mutual aid and protection, or to the activities of labor and bona fide nonprofit organizations or their members or agents.

(13) "Criminal street gang associate or member" means any person who actively participates in any criminal street gang and who intentionally promotes, furthers, or assists in any criminal act by the criminal street gang.

(14) "Criminal street gang-related offense" means any felony or misdemeanor offense, whether in this state or elsewhere, that is committed for the benefit of, at the direction of, or in association with any criminal street gang, or is committed with the intent to promote, further, or assist in any criminal conduct by the gang, or is committed for one or more of the following reasons:

(a) To gain admission, prestige, or promotion within the gang;

(b) To increase or maintain the gang's size, membership, prestige, dominance, or control in any geographical area;

(c) To exact revenge or retribution for the gang or any member of the gang;

(d) To obstruct justice, or intimidate or eliminate any witness against the gang or any member of the gang;

(e) To directly or indirectly cause any benefit, aggrandizement, gain, profit, or other advantage for the gang, its reputation, influence, or membership; or

(f) To provide the gang with any advantage in, or any control or dominance over any criminal market sector, including, but not limited to, manufacturing, delivering, or selling any controlled substance (chapter 69.50 RCW); arson (chapter 9A.48 RCW); trafficking in stolen property (chapter 9A.82 RCW); promoting prostitution (chapter 9A.88 RCW); human trafficking (RCW 9A.40.100); promoting commercial sexual abuse of a minor (RCW 9.68A.101); or promoting pornography (chapter 9.68 RCW).

(15) "Day fine" means a fine imposed by the sentencing court that equals the difference between the offender's net daily income and the reasonable

obligations that the offender has for the support of the offender and any dependents.

(16) "Day reporting" means a program of enhanced supervision designed to monitor the offender's daily activities and compliance with sentence conditions, and in which the offender is required to report daily to a specific location designated by the department or the sentencing court.

(17) "Department" means the department of corrections.

(18) "Determinate sentence" means a sentence that states with exactitude the number of actual years, months, or days of total confinement, of partial confinement, of community custody, the number of actual hours or days of community restitution work, or dollars or terms of a legal financial obligation. The fact that an offender through earned release can reduce the actual period of confinement shall not affect the classification of the sentence as a determinate sentence.

(19) "Disposable earnings" means that part of the earnings of an offender remaining after the deduction from those earnings of any amount required by law to be withheld. For the purposes of this definition, "earnings" means compensation paid or payable for personal services, whether denominated as wages, salary, commission, bonuses, or otherwise, and, notwithstanding any other provision of law making the payments exempt from garnishment, attachment, or other process to satisfy a court-ordered legal financial obligation, specifically includes periodic payments pursuant to pension or retirement programs, or insurance policies of any type, but does not include payments made under Title 50 RCW, except as provided in RCW 50.40.020 and 50.40.050, or Title 74 RCW.

(20) "Domestic violence" has the same meaning as defined in RCW 10.99.020 and 26.50.010.

(21) "Drug offender sentencing alternative" is a sentencing option available to persons convicted of a felony offense other than a violent offense or a sex offense and who are eligible for the option under RCW 9.94A.660.

(22) "Drug offense" means:

(a) Any felony violation of chapter 69.50 RCW except possession of a controlled substance (RCW 69.50.4013) or forged prescription for a controlled substance (RCW 69.50.403);

(b) Any offense defined as a felony under federal law that relates to the possession, manufacture, distribution, or transportation of a controlled substance; or

(c) Any out-of-state conviction for an offense that under the laws of this state would be a felony classified as a drug offense under (a) of this subsection.

(23) "Earned release" means earned release from confinement as provided in RCW 9.94A.728.

(24) "Electronic monitoring" means tracking the location of an individual, whether pretrial or posttrial, through the use of technology that is capable of determining or identifying the monitored individual's presence or absence at a particular location including, but not limited to:

(a) Radio frequency signaling technology, which detects if the monitored individual is or is not at an approved location and notifies the monitoring agency of the time that the monitored individual either leaves the approved location or tampers with or removes the monitoring device; or

(b) Active or passive global positioning system technology, which detects the location of the monitored individual and notifies the monitoring agency of the monitored individual's location.

(25) "Escape" means:

(a) Sexually violent predator escape (RCW 9A.76.115), escape in the first degree (RCW 9A.76.110), escape in the second degree (RCW 9A.76.120), willful failure to return from furlough (RCW 72.66.060), willful failure to return from work release (RCW 72.65.070), or willful failure to be available for supervision by the department while in community custody (RCW 72.09.310); or

(b) Any federal or out-of-state conviction for an offense that under the laws of this state would be a felony classified as an escape under (a) of this subsection.

(26) "Felony traffic offense" means:

(a) Vehicular homicide (RCW 46.61.520), vehicular assault (RCW 46.61.522), eluding a police officer (RCW 46.61.024), felony hit-and-run injury-accident (RCW 46.52.020(4)), felony driving while under the influence of intoxicating liquor or any drug (RCW 46.61.502(6)), or felony physical control of a vehicle while under the influence of intoxicating liquor or any drug (RCW 46.61.504(6)); or

(b) Any federal or out-of-state conviction for an offense that under the laws of this state would be a felony classified as a felony traffic offense under (a) of this subsection.

(27) "Fine" means a specific sum of money ordered by the sentencing court to be paid by the offender to the court over a specific period of time.

(28) "First-time offender" means any person who has no prior convictions for a felony and is eligible for the first-time offender waiver under RCW 9.94A.650.

(29) "Home detention" is a subset of electronic monitoring and means a program of partial confinement available to offenders wherein the offender is confined in a private residence twenty-four hours a day, unless an absence from the residence is approved, authorized, or otherwise permitted in the order by the court or other supervising agency that ordered home detention, and the offender is subject to electronic monitoring.

(30) "Homelessness" or "homeless" means a condition where an individual lacks a fixed, regular, and adequate nighttime residence and who has a primary nighttime residence that is:

(a) A supervised, publicly or privately operated shelter designed to provide temporary living accommodations;

(b) A public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings; or

(c) A private residence where the individual stays as a transient invitee.

(31) "Legal financial obligation" means a sum of money that is ordered by a superior court of the state of Washington for legal financial obligations which may include restitution to the victim, statutorily imposed crime victims' compensation fees as assessed pursuant to RCW 7.68.035, court costs, county or interlocal drug funds, court-appointed attorneys' fees, and costs of defense, fines, and any other financial obligation that is assessed to the offender as a result of a felony conviction. Upon conviction for vehicular assault while under the

influence of intoxicating liquor or any drug, RCW 46.61.522(1)(b), or vehicular homicide while under the influence of intoxicating liquor or any drug, RCW 46.61.520(1)(a), legal financial obligations may also include payment to a public agency of the expense of an emergency response to the incident resulting in the conviction, subject to RCW 38.52.430.

(32) "Minor child" means a biological or adopted child of the offender who is under age eighteen at the time of the offender's current offense.

(33) "Most serious offense" means any of the following felonies or a felony attempt to commit any of the following felonies:

(a) Any felony defined under any law as a class A felony or criminal solicitation of or criminal conspiracy to commit a class A felony;

(b) Assault in the second degree;

(c) Assault of a child in the second degree;

(d) Child molestation in the second degree;

(e) Controlled substance homicide;

(f) Extortion in the first degree;

(g) Incest when committed against a child under age fourteen;

(h) Indecent liberties;

(i) Kidnapping in the second degree;

(j) Leading organized crime;

(k) Manslaughter in the first degree;

(l) Manslaughter in the second degree;

(m) Promoting prostitution in the first degree;

(n) Rape in the third degree;

(o) Robbery in the second degree;

(p) Sexual exploitation;

(q) Vehicular assault, when caused by the operation or driving of a vehicle by a person while under the influence of intoxicating liquor or any drug or by the operation or driving of a vehicle in a reckless manner;

(r) Vehicular homicide, when proximately caused by the driving of any vehicle by any person while under the influence of intoxicating liquor or any drug as defined by RCW 46.61.502, or by the operation of any vehicle in a reckless manner;

(s) Any other class B felony offense with a finding of sexual motivation;

(t) Any other felony with a deadly weapon verdict under RCW 9.94A.825;

(u) Any felony offense in effect at any time prior to December 2, 1993, that is comparable to a most serious offense under this subsection, or any federal or out-of-state conviction for an offense that under the laws of this state would be a felony classified as a most serious offense under this subsection;

(v)(i) A prior conviction for indecent liberties under RCW 9A.44.100(1) (a), (b), and (c), chapter 260, Laws of 1975 1st ex. sess. as it existed until July 1, 1979, RCW 9A.44.100(1) (a), (b), and (c) as it existed from July 1, 1979, until June 11, 1986, and RCW 9A.44.100(1) (a), (b), and (d) as it existed from June 11, 1986, until July 1, 1988;

(ii) A prior conviction for indecent liberties under RCW 9A.44.100(1)(c) as it existed from June 11, 1986, until July 1, 1988, if: (A) The crime was committed against a child under the age of fourteen; or (B) the relationship between the victim and perpetrator is included in the definition of indecent liberties under RCW 9A.44.100(1)(c) as it existed from July 1, 1988, through

July 27, 1997, or RCW 9A.44.100(1) (d) or (e) as it existed from July 25, 1993, through July 27, 1997;

(w) Any out-of-state conviction for a felony offense with a finding of sexual motivation if the minimum sentence imposed was ten years or more; provided that the out-of-state felony offense must be comparable to a felony offense under this title and Title 9A RCW and the out-of-state definition of sexual motivation must be comparable to the definition of sexual motivation contained in this section.

(34) "Nonviolent offense" means an offense which is not a violent offense.

(35) "Offender" means a person who has committed a felony established by state law and is eighteen years of age or older or is less than eighteen years of age but whose case is under superior court jurisdiction under RCW 13.04.030 or has been transferred by the appropriate juvenile court to a criminal court pursuant to RCW 13.40.110. In addition, for the purpose of community custody requirements under this chapter, "offender" also means a misdemeanor or gross misdemeanor probationer ordered by a superior court to probation pursuant to RCW 9.92.060, 9.95.204, or 9.95.210 and supervised by the department pursuant to RCW 9.94A.501 and 9.94A.5011. Throughout this chapter, the terms "offender" and "defendant" are used interchangeably.

(36) "Partial confinement" means confinement for no more than one year in a facility or institution operated or utilized under contract by the state or any other unit of government, or, if home detention, electronic monitoring, or work crew has been ordered by the court or home detention has been ordered by the department as part of the parenting program or the graduated reentry program, in an approved residence, for a substantial portion of each day with the balance of the day spent in the community. Partial confinement includes work release, home detention, work crew, electronic monitoring, and a combination of work crew, electronic monitoring, and home detention.

(37) "Pattern of criminal street gang activity" means:

(a) The commission, attempt, conspiracy, or solicitation of, or any prior juvenile adjudication of or adult conviction of, two or more of the following criminal street gang-related offenses:

(i) Any "serious violent" felony offense as defined in this section, excluding Homicide by Abuse (RCW 9A.32.055) and Assault of a Child 1 (RCW 9A.36.120);

(ii) Any "violent" offense as defined by this section, excluding Assault of a Child 2 (RCW 9A.36.130);

(iii) Deliver or Possession with Intent to Deliver a Controlled Substance (chapter 69.50 RCW);

(iv) Any violation of the firearms and dangerous weapon act (chapter 9.41 RCW);

(v) Theft of a Firearm (RCW 9A.56.300);

(vi) Possession of a Stolen Firearm (RCW 9A.56.310);

(vii) Malicious Harassment (RCW 9A.36.080);

(viii) Harassment where a subsequent violation or deadly threat is made (RCW 9A.46.020(2)(b));

(ix) Criminal Gang Intimidation (RCW 9A.46.120);

(x) Any felony conviction by a person eighteen years of age or older with a special finding of involving a juvenile in a felony offense under RCW 9.94A.833;

- (xi) Residential Burglary (RCW 9A.52.025);
- (xii) Burglary 2 (RCW 9A.52.030);
- (xiii) Malicious Mischief 1 (RCW 9A.48.070);
- (xiv) Malicious Mischief 2 (RCW 9A.48.080);
- (xv) Theft of a Motor Vehicle (RCW 9A.56.065);
- (xvi) Possession of a Stolen Motor Vehicle (RCW 9A.56.068);
- (xvii) Taking a Motor Vehicle Without Permission 1 (RCW 9A.56.070);
- (xviii) Taking a Motor Vehicle Without Permission 2 (RCW 9A.56.075);
- (xix) Extortion 1 (RCW 9A.56.120);
- (xx) Extortion 2 (RCW 9A.56.130);
- (xxi) Intimidating a Witness (RCW 9A.72.110);
- (xxii) Tampering with a Witness (RCW 9A.72.120);
- (xxiii) Reckless Endangerment (RCW 9A.36.050);
- (xxiv) Coercion (RCW 9A.36.070);
- (xxv) Harassment (RCW 9A.46.020); or
- (xxvi) Malicious Mischief 3 (RCW 9A.48.090);

(b) That at least one of the offenses listed in (a) of this subsection shall have occurred after July 1, 2008;

(c) That the most recent committed offense listed in (a) of this subsection occurred within three years of a prior offense listed in (a) of this subsection; and

(d) Of the offenses that were committed in (a) of this subsection, the offenses occurred on separate occasions or were committed by two or more persons.

(38) "Persistent offender" is an offender who:

(a)(i) Has been convicted in this state of any felony considered a most serious offense; and

(ii) Has, before the commission of the offense under (a) of this subsection, been convicted as an offender on at least two separate occasions, whether in this state or elsewhere, of felonies that under the laws of this state would be considered most serious offenses and would be included in the offender score under RCW 9.94A.525; provided that of the two or more previous convictions, at least one conviction must have occurred before the commission of any of the other most serious offenses for which the offender was previously convicted; or

(b)(i) Has been convicted of: (A) Rape in the first degree, rape of a child in the first degree, child molestation in the first degree, rape in the second degree, rape of a child in the second degree, or indecent liberties by forcible compulsion; (B) any of the following offenses with a finding of sexual motivation: Murder in the first degree, murder in the second degree, homicide by abuse, kidnapping in the first degree, kidnapping in the second degree, assault in the first degree, assault in the second degree, assault of a child in the first degree, assault of a child in the second degree, or burglary in the first degree; or (C) an attempt to commit any crime listed in this subsection (38)(b)(i); and

(ii) Has, before the commission of the offense under (b)(i) of this subsection, been convicted as an offender on at least one occasion, whether in this state or elsewhere, of an offense listed in (b)(i) of this subsection or any federal or out-of-state offense or offense under prior Washington law that is

comparable to the offenses listed in (b)(i) of this subsection. A conviction for rape of a child in the first degree constitutes a conviction under (b)(i) of this subsection only when the offender was sixteen years of age or older when the offender committed the offense. A conviction for rape of a child in the second degree constitutes a conviction under (b)(i) of this subsection only when the offender was eighteen years of age or older when the offender committed the offense.

(39) "Predatory" means: (a) The perpetrator of the crime was a stranger to the victim, as defined in this section; (b) the perpetrator established or promoted a relationship with the victim prior to the offense and the victimization of the victim was a significant reason the perpetrator established or promoted the relationship; or (c) the perpetrator was: (i) A teacher, counselor, volunteer, or other person in authority in any public or private school and the victim was a student of the school under his or her authority or supervision. For purposes of this subsection, "school" does not include home-based instruction as defined in RCW 28A.225.010; (ii) a coach, trainer, volunteer, or other person in authority in any recreational activity and the victim was a participant in the activity under his or her authority or supervision; (iii) a pastor, elder, volunteer, or other person in authority in any church or religious organization, and the victim was a member or participant of the organization under his or her authority; or (iv) a teacher, counselor, volunteer, or other person in authority providing home-based instruction and the victim was a student receiving home-based instruction while under his or her authority or supervision. For purposes of this subsection: (A) "Home-based instruction" has the same meaning as defined in RCW 28A.225.010; and (B) "teacher, counselor, volunteer, or other person in authority" does not include the parent or legal guardian of the victim.

(40) "Private school" means a school regulated under chapter 28A.195 or 28A.205 RCW.

(41) "Public school" has the same meaning as in RCW 28A.150.010.

(42) "Repetitive domestic violence offense" means any:

(a)(i) Domestic violence assault that is not a felony offense under RCW 9A.36.041;

(ii) Domestic violence violation of a no-contact order under chapter 10.99 RCW that is not a felony offense;

(iii) Domestic violence violation of a protection order under chapter 26.09, 26.10, 26.26, or 26.50 RCW that is not a felony offense;

(iv) Domestic violence harassment offense under RCW 9A.46.020 that is not a felony offense; or

(v) Domestic violence stalking offense under RCW 9A.46.110 that is not a felony offense; or

(b) Any federal, out-of-state, tribal court, military, county, or municipal conviction for an offense that under the laws of this state would be classified as a repetitive domestic violence offense under (a) of this subsection.

(43) "Restitution" means a specific sum of money ordered by the sentencing court to be paid by the offender to the court over a specified period of time as payment of damages. The sum may include both public and private costs.

(44) "Risk assessment" means the application of the risk instrument recommended to the department by the Washington state institute for public

policy as having the highest degree of predictive accuracy for assessing an offender's risk of reoffense.

(45) "Serious traffic offense" means:

(a) Nonfelony driving while under the influence of intoxicating liquor or any drug (RCW 46.61.502), nonfelony actual physical control while under the influence of intoxicating liquor or any drug (RCW 46.61.504), reckless driving (RCW 46.61.500), or hit-and-run an attended vehicle (RCW 46.52.020(5)); or

(b) Any federal, out-of-state, county, or municipal conviction for an offense that under the laws of this state would be classified as a serious traffic offense under (a) of this subsection.

(46) "Serious violent offense" is a subcategory of violent offense and means:

(a)(i) Murder in the first degree;

(ii) Homicide by abuse;

(iii) Murder in the second degree;

(iv) Manslaughter in the first degree;

(v) Assault in the first degree;

(vi) Kidnapping in the first degree;

(vii) Rape in the first degree;

(viii) Assault of a child in the first degree; or

(ix) An attempt, criminal solicitation, or criminal conspiracy to commit one of these felonies; or

(b) Any federal or out-of-state conviction for an offense that under the laws of this state would be a felony classified as a serious violent offense under (a) of this subsection.

(47) "Sex offense" means:

(a)(i) A felony that is a violation of chapter 9A.44 RCW other than RCW 9A.44.132;

(ii) A violation of RCW 9A.64.020;

(iii) A felony that is a violation of chapter 9.68A RCW other than RCW 9.68A.080;

(iv) A felony that is, under chapter 9A.28 RCW, a criminal attempt, criminal solicitation, or criminal conspiracy to commit such crimes; or

(v) A felony violation of RCW 9A.44.132(1) (failure to register as a sex offender) if the person has been convicted of violating RCW 9A.44.132(1) (failure to register as a sex offender) or 9A.44.130 prior to June 10, 2010, on at least one prior occasion;

(b) Any conviction for a felony offense in effect at any time prior to July 1, 1976, that is comparable to a felony classified as a sex offense in (a) of this subsection;

(c) A felony with a finding of sexual motivation under RCW 9.94A.835 or 13.40.135; or

(d) Any federal or out-of-state conviction for an offense that under the laws of this state would be a felony classified as a sex offense under (a) of this subsection.

(48) "Sexual motivation" means that one of the purposes for which the defendant committed the crime was for the purpose of his or her sexual gratification.

(49) "Standard sentence range" means the sentencing court's discretionary range in imposing a nonappealable sentence.

(50) "Statutory maximum sentence" means the maximum length of time for which an offender may be confined as punishment for a crime as prescribed in chapter 9A.20 RCW, RCW 9.92.010, the statute defining the crime, or other statute defining the maximum penalty for a crime.

(51) "Stranger" means that the victim did not know the offender twenty-four hours before the offense.

(52) "Total confinement" means confinement inside the physical boundaries of a facility or institution operated or utilized under contract by the state or any other unit of government for twenty-four hours a day, or pursuant to RCW 72.64.050 and 72.64.060.

(53) "Transition training" means written and verbal instructions and assistance provided by the department to the offender during the two weeks prior to the offender's successful completion of the work ethic camp program. The transition training shall include instructions in the offender's requirements and obligations during the offender's period of community custody.

(54) "Victim" means any person who has sustained emotional, psychological, physical, or financial injury to person or property as a direct result of the crime charged.

(55) "Violent offense" means:

(a) Any of the following felonies:

(i) Any felony defined under any law as a class A felony or an attempt to commit a class A felony;

(ii) Criminal solicitation of or criminal conspiracy to commit a class A felony;

(iii) Manslaughter in the first degree;

(iv) Manslaughter in the second degree;

(v) Indecent liberties if committed by forcible compulsion;

(vi) Kidnapping in the second degree;

(vii) Arson in the second degree;

(viii) Assault in the second degree;

(ix) Assault of a child in the second degree;

(x) Extortion in the first degree;

(xi) Robbery in the second degree;

(xii) Drive-by shooting;

(xiii) Vehicular assault, when caused by the operation or driving of a vehicle by a person while under the influence of intoxicating liquor or any drug or by the operation or driving of a vehicle in a reckless manner; and

(xiv) Vehicular homicide, when proximately caused by the driving of any vehicle by any person while under the influence of intoxicating liquor or any drug as defined by RCW 46.61.502, or by the operation of any vehicle in a reckless manner;

(b) Any conviction for a felony offense in effect at any time prior to July 1, 1976, that is comparable to a felony classified as a violent offense in (a) of this subsection; and

(c) Any federal or out-of-state conviction for an offense that under the laws of this state would be a felony classified as a violent offense under (a) or (b) of this subsection.

(56) "Work crew" means a program of partial confinement consisting of civic improvement tasks for the benefit of the community that complies with RCW 9.94A.725.

(57) "Work ethic camp" means an alternative incarceration program as provided in RCW 9.94A.690 designed to reduce recidivism and lower the cost of corrections by requiring offenders to complete a comprehensive array of real-world job and vocational experiences, character-building work ethics training, life management skills development, substance abuse rehabilitation, counseling, literacy training, and basic adult education.

(58) "Work release" means a program of partial confinement available to offenders who are employed or engaged as a student in a regular course of study at school.

Sec. 4. RCW 9.94A.734 and 2015 c 287 s 2 are each amended to read as follows:

(1) Home detention may not be imposed for offenders convicted of the following offenses, unless imposed as partial confinement in the department's parenting program under RCW 9.94A.6551 or the graduated reentry program under section 1 of this act:

- (a) A violent offense;
- (b) Any sex offense;
- (c) Any drug offense;
- (d) Reckless burning in the first or second degree as defined in RCW 9A.48.040 or 9A.48.050;
- (e) Assault in the third degree as defined in RCW 9A.36.031;
- (f) Assault of a child in the third degree;
- (g) Unlawful imprisonment as defined in RCW 9A.40.040; or
- (h) Harassment as defined in RCW 9A.46.020.

Home detention may be imposed for offenders convicted of possession of a controlled substance under RCW 69.50.4013 or forged prescription for a controlled substance under RCW 69.50.403 if the offender fulfills the participation conditions set forth in this section and is monitored for drug use by a treatment alternatives to street crime program or a comparable court or agency-referred program.

(2) Home detention may be imposed for offenders convicted of burglary in the second degree as defined in RCW 9A.52.030 or residential burglary conditioned upon the offender:

- (a) Successfully completing twenty-one days in a work release program;
- (b) Having no convictions for burglary in the second degree or residential burglary during the preceding two years and not more than two prior convictions for burglary or residential burglary;
- (c) Having no convictions for a violent felony offense during the preceding two years and not more than two prior convictions for a violent felony offense;
- (d) Having no prior charges of escape; and
- (e) Fulfilling the other conditions of the home detention program.

(3) Home detention may be imposed for offenders convicted of taking a motor vehicle without permission in the second degree as defined in RCW 9A.56.075, theft of a motor vehicle as defined under RCW 9A.56.065, or possession of a stolen motor vehicle as defined under RCW 9A.56.068 conditioned upon the offender:

(a) Having no convictions for taking a motor vehicle without permission, theft of a motor vehicle or possession of a stolen motor vehicle during the preceding five years and not more than two prior convictions for taking a motor vehicle without permission, theft of a motor vehicle or possession of a stolen motor vehicle;

(b) Having no convictions for a violent felony offense during the preceding two years and not more than two prior convictions for a violent felony offense;

(c) Having no prior charges of escape; and

(d) Fulfilling the other conditions of the home detention program.

(4) Participation in a home detention program shall be conditioned upon:

(a) The offender obtaining or maintaining current employment or attending a regular course of school study at regularly defined hours, or the offender performing parental duties to offspring or minors normally in the custody of the offender;

(b) Abiding by the rules of the home detention program; and

(c) Compliance with court-ordered legal financial obligations.

(5) The home detention program may also be made available to offenders whose charges and convictions do not otherwise disqualify them if medical or health-related conditions, concerns or treatment would be better addressed under the home detention program, or where the health and welfare of the offender, other inmates, or staff would be jeopardized by the offender's incarceration. Participation in the home detention program for medical or health-related reasons is conditioned on the offender abiding by the rules of the home detention program and complying with court-ordered restitution.

(6)(a) A sentencing court shall deny the imposition of home detention if the court finds that (i) the offender has previously and knowingly violated the terms of a home detention program and (ii) the previous violation is not a technical, minor, or nonsubstantive violation.

(b) A sentencing court may deny the imposition of home detention if the court finds that (i) the offender has previously and knowingly violated the terms of a home detention program and (ii) the previous violation or violations were technical, minor, or nonsubstantive violations.

(7) A home detention program must be administered by a monitoring agency that meets the conditions described in RCW 9.94A.736.

Sec. 5. RCW 9.94A.190 and 2010 c 224 s 10 are each amended to read as follows:

(1) A sentence that includes a term or terms of confinement totaling more than one year shall be served in a facility or institution operated, or utilized under contract, by the state, or in home detention pursuant to RCW 9.94A.6551 or the graduated reentry program under section 1 of this act. Except as provided in subsection (3) or (5) of this section, a sentence of not more than one year of confinement shall be served in a facility operated, licensed, or utilized under contract, by the county, or if home detention or work crew has been ordered by the court, in the residence of either the offender or a member of the offender's immediate family.

(2) If a county uses a state partial confinement facility for the partial confinement of a person sentenced to confinement for not more than one year, the county shall reimburse the state for the use of the facility as provided in this subsection. The office of financial management shall set the rate of

reimbursement based upon the average per diem cost per offender in the facility. The office of financial management shall determine to what extent, if any, reimbursement shall be reduced or eliminated because of funds provided by the legislature to the department for the purpose of covering the cost of county use of state partial confinement facilities. The office of financial management shall reestablish reimbursement rates each even-numbered year.

(3) A person who is sentenced for a felony to a term of not more than one year, and who is committed or returned to incarceration in a state facility on another felony conviction, either under the indeterminate sentencing laws, chapter 9.95 RCW, or under this chapter shall serve all terms of confinement, including a sentence of not more than one year, in a facility or institution operated, or utilized under contract, by the state, consistent with the provisions of RCW 9.94A.589.

(4) Notwithstanding any other provision of this section, a sentence imposed pursuant to RCW 9.94A.660 which has a standard sentence range of over one year, regardless of length, shall be served in a facility or institution operated, or utilized under contract, by the state.

(5) Sentences imposed pursuant to RCW 9.94A.507 shall be served in a facility or institution operated, or utilized under contract, by the state.

Passed by the House March 6, 2018.

Passed by the Senate March 7, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 167

[Substitute House Bill 2639]

MOBILE FOOD UNITS--COMMISSARY OR SERVICING AREA REQUIREMENTS

AN ACT Relating to exempting certain mobile food units from state and local regulations pertaining to commissaries or servicing areas; and adding a new section to chapter 43.20 RCW.

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

NEW SECTION. Sec. 1. A new section is added to chapter 43.20 RCW to read as follows:

(1) For purposes of this section, the following terms have the following meanings:

(a) "Commissary" means an approved food establishment where food is stored, prepared, portioned, or packaged for service elsewhere.

(b) "Mobile food unit" means a readily movable food establishment.

(c) "Servicing area" means an operating base location to which a mobile food unit or transportation vehicle returns regularly for such things as vehicle and equipment cleaning, discharging liquid or solid wastes, refilling water tanks and ice bins, and boarding food.

(2) The regulatory authority must approve a request for a mobile food unit to be exempt from state board of health or local health jurisdiction requirements to operate from an approved commissary or servicing area if:

(a) The mobile food unit contains all equipment and utensils needed for complete onboard preparation of an approved menu;

(b) The mobile food unit is protected from environmental contamination when not in use;

(c) The mobile food unit can maintain required food storage temperatures during storage, preparation, service, and transit;

(d) The mobile food unit has a dedicated handwashing sink to allow frequent handwashing at all times;

(e) The mobile food unit has adequate water capacity and warewashing facilities to clean all multiuse utensils used on the mobile unit at a frequency specified in state board of health rules;

(f) The mobile food unit is able to store tools onboard needed for cleaning and sanitizing;

(g) All food, water, and ice used on the mobile food unit is prepared onboard or otherwise obtained from approved sources;

(h) Wastewater and garbage will be sanitarily removed from the mobile food unit following an approved written plan or by a licensed service provider; and

(i) The local health officer approves the menu and plan of operations for the mobile food unit.

Passed by the House February 14, 2018.

Passed by the Senate February 27, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 168

[House Bill 2649]

DISABILITY--RECREATIONAL OPPORTUNITIES--FISH, SHELLFISH, AND WILDLIFE

AN ACT Relating to enhancing the fish, shellfish, and wildlife-related recreational opportunities for a person with a disability; amending RCW 77.15.460 and 77.32.237; and repealing RCW 77.32.238 and 77.32.400.

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

Sec. 1. RCW 77.15.460 and 2014 c 48 s 18 are each amended to read as follows:

(1) A person is guilty of unlawful possession of a loaded rifle or shotgun in a motor vehicle, as defined in RCW 46.04.320, or upon an off-road vehicle, as defined in RCW 46.04.365, if:

(a) The person carries, transports, conveys, possesses, or controls a rifle or shotgun in a motor vehicle, or upon an off-road vehicle, except as allowed by department rule; and

(b) The rifle or shotgun contains shells or cartridges in the magazine or chamber, or is a muzzle-loading firearm that is loaded and capped or primed.

(2) A person is guilty of unlawful use of a loaded firearm if:

(a) The person negligently discharges a firearm from, across, or along the maintained portion of a public highway; or

(b) The person discharges a firearm from within a moving motor vehicle or from upon a moving off-road vehicle.

(3) Unlawful possession of a loaded rifle or shotgun in a motor vehicle or upon an off-road vehicle, and unlawful use of a loaded firearm are misdemeanors.

(4) This section does not apply if the person:

(a) Is a law enforcement officer who is authorized to carry a firearm and is on duty within the officer's respective jurisdiction;

(b) ~~((Possesses a disabled hunter's permit))~~ Has been granted a disability designation as provided by RCW 77.32.237 and complies with all rules of the department concerning hunting by persons with disabilities; or

(c) Discharges the rifle or shotgun from upon a nonmoving motor vehicle, as long as the engine is turned off and the motor vehicle is not parked on or beside the maintained portion of a public road, except as authorized by the commission by rule. This subsection (4)(c) does not apply to off-road vehicles, which are unlawful to use for hunting under RCW 46.09.480, unless the person has a department permit issued under RCW 77.32.237.

(5) For purposes of subsection (1) of this section, a rifle or shotgun shall not be considered loaded if the detachable clip or magazine is not inserted in or attached to the rifle or shotgun.

Sec. 2. RCW 77.32.237 and 2007 c 254 s 6 are each amended to read as follows:

The commission shall ~~((attempt to))~~ enhance the ~~((hunting))~~ fish, shellfish, and wildlife-related recreational opportunities for ~~((persons))~~ a person with a disability. The commission shall authorize the director to ~~((issue disabled hunter permits))~~ grant a disability designation to ((persons)) a person with a disability who meets eligibility criteria established by the commission by rule. The commission shall adopt rules defining who is a person with a disability for purposes of eligibility for disability designation. A person granted a disability designation is eligible for reasonable accommodations, determined by the director, to allow the person to participate in fish, shellfish, and wildlife-related recreational activities. The commission shall adopt rules governing the conduct of ((persons)) a person with a disability ((who hunt and their designated licensed hunter)) participating in fish, shellfish, and wildlife-related recreational activities and the conduct of companions permitted, as a reasonable accommodation, to assist such a person in fish, shellfish, and wildlife-related recreational opportunities.

NEW SECTION. Sec. 3. The following acts or parts of acts are each repealed:

(1) RCW 77.32.238 (Adoption of rules defining a person with a disability—Shooting from a motor vehicle—Assistance from licensed hunter) and 2007 c 254 s 5 & 1989 c 297 s 2; and

(2) RCW 77.32.400 (Persons with a disability—Designated harvester card—Fish and shellfish) and 2007 c 254 s 2 & 1998 c 191 s 1.

Passed by the House February 8, 2018.

Passed by the Senate March 2, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 169

[Substitute House Bill 2664]

PORT DISTRICTS--TELECOMMUNICATIONS AUTHORITY

AN ACT Relating to extending existing telecommunications authority to all ports in Washington state in order to facilitate public-private partnerships in wholesale telecommunications services and infrastructure; and amending RCW 53.08.005, 53.08.370, and 53.08.380.

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

Sec. 1. RCW 53.08.005 and 2000 c 81 s 6 are each amended to read as follows:

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

(1) "Commission" means the Washington utilities and transportation commission.

~~(2) ("Rural port district" means a port district formed under chapter 53.04 RCW and located in a county with an average population density of fewer than one hundred persons per square mile.~~

~~(3))~~ "Telecommunications" has the same meaning as contained in RCW 80.04.010.

~~((4))~~ (3) "Telecommunications facilities" means lines, conduits, ducts, poles, wires, cables, crossarms, receivers, transmitters, instruments, machines, appliances, instrumentalities and all devices, real estate, easements, apparatus, property, and routes used, operated, owned, or controlled by any entity to facilitate the provision of telecommunications services.

~~((5))~~ (4) "Wholesale telecommunications services" means the provision of telecommunications services or facilities for resale by an entity authorized to provide telecommunications services to the general public and internet service providers. Wholesale telecommunications services includes the provision of unlit or dark optical fiber for resale, but not the provision of lit optical fiber.

Sec. 2. RCW 53.08.370 and 2000 c 81 s 7 are each amended to read as follows:

(1) A ~~((rural))~~ port district in existence on June 8, 2000, may construct, purchase, acquire, develop, finance, lease, license, handle, provide, add to, contract for, interconnect, alter, improve, repair, operate, and maintain any telecommunications facilities within or without the district's limits for the following purposes:

(a) For the district's own use; and

(b) For the provision of wholesale telecommunications services within the district's limits. Nothing in this subsection shall be construed to authorize ~~((rural))~~ port districts to provide telecommunications services to end users.

(2) A ~~((rural))~~ port district providing wholesale telecommunications services under this section shall ensure that rates, terms, and conditions for such services are not unduly or unreasonably discriminatory or preferential. Rates, terms, and conditions are discriminatory or preferential when a ~~((rural))~~ port district offering such rates, terms, and conditions to an entity for wholesale telecommunications services does not offer substantially similar rates, terms, and conditions to all other entities seeking substantially similar services.

(3) When a ~~((rural))~~ port district establishes a separate utility function for the provision of wholesale telecommunications services, it shall account for any

and all revenues and expenditures related to its wholesale telecommunications facilities and services separately from revenues and expenditures related to its internal telecommunications operations. Any revenues received from the provision of wholesale telecommunications services must be dedicated to the utility function that includes the provision of wholesale telecommunications services for costs incurred to build and maintain the telecommunications facilities until such time as any bonds or other financing instruments executed after June 8, 2000, and used to finance the telecommunications facilities are discharged or retired.

(4) When a ((~~rural~~)) port district establishes a separate utility function for the provision of wholesale telecommunications services, all telecommunications services rendered by the separate function to the district for the district's internal telecommunications needs shall be charged at its true and full value. A ((~~rural~~)) port district may not charge its nontelecommunications operations rates that are preferential or discriminatory compared to those it charges entities purchasing wholesale telecommunications services.

(5) A ((~~rural~~)) port district shall not exercise powers of eminent domain to acquire telecommunications facilities or contractual rights held by any other person or entity to telecommunications facilities.

(6) Except as otherwise specifically provided, a ((~~rural~~)) port district may exercise any of the powers granted to it under this title and other applicable laws in carrying out the powers authorized under this section. Nothing in chapter 81, Laws of 2000 limits any existing authority of a ((~~rural~~)) port district under this title.

(7) A port district that has not exercised the authorities provided in this section prior to the effective date of this act must develop a business case plan before exercising the authorities provided in this section. The port district must procure an independent qualified consultant to review the business case plan, including the use of public funds in the provision of wholesale telecommunications services. Any recommendations or adjustments to the business case plan made during third-party review must be received and either rejected or accepted by the port commission in an open meeting.

(8) A port district with telecommunications facilities for use in the provision of wholesale telecommunications in accordance with subsection (1)(b) of this section may be subject to local leasehold excise taxes under RCW 82.29A.040.

Sec. 3. RCW 53.08.380 and 2000 c 81 s 9 are each amended to read as follows:

(1) A person or entity that has requested wholesale telecommunications services from a ((~~rural~~)) port district may petition the commission under the procedures set forth in RCW 80.04.110 (1) through (3) if it believes the district's rates, terms, and conditions are unduly or unreasonably discriminatory or preferential. The person or entity shall provide the district notice of its intent to petition the commission and an opportunity to review within thirty days the rates, terms, and conditions as applied to it prior to submitting its petition. In determining whether a district is providing discriminatory or preferential rates, terms, and conditions, the commission may consider such matters as service quality, technical feasibility of connection points on the district's telecommunications facilities, time of response to service requests, system capacity, and other matters reasonably related to the provision of wholesale

telecommunications services. If the commission, after notice and hearing, determines that a ((~~rural~~)) port district's rates, terms, and conditions are unduly or unreasonably discriminatory or preferential, it shall issue a final order finding noncompliance with this section and setting forth the specific areas of apparent noncompliance. An order imposed under this section shall be enforceable in any court of competent jurisdiction.

(2) The commission may order a ((~~rural~~)) port district to pay a share of the costs incurred by the commission in adjudicating or enforcing this section.

(3) Without limiting other remedies at law or equity, the commission and prevailing party may also seek injunctive relief to compel compliance with an order.

(4) Nothing in this section shall be construed to affect the commission's authority and jurisdiction with respect to actions, proceedings, or orders permitted or contemplated for a state commission under the federal telecommunications act of 1996, P.L. 104-104 (110 Stat. 56).

Passed by the House February 14, 2018.

Passed by the Senate March 6, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 170

[House Bill 2682]

HOP GROWER LOT INFORMATION--PUBLIC RECORDS ACT

AN ACT Relating to exempting hop grower lot information used in the state department of agriculture export document from public disclosure; and amending RCW 42.56.380.

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

Sec. 1. RCW 42.56.380 and 2012 c 168 s 1 are each amended to read as follows:

The following information relating to agriculture and livestock is exempt from disclosure under this chapter:

- (1) Business-related information under RCW 15.86.110;
- (2) Information provided under RCW 15.54.362;
- (3) Production or sales records required to determine assessment levels and actual assessment payments to commodity boards and commissions formed under chapters 15.24, 15.26, 15.28, 15.44, 15.65, 15.66, 15.74, 15.88, 15.115, 15.100, 15.89, and 16.67 RCW or required by the department of agriculture to administer these chapters or the department's programs;
- (4) Consignment information contained on phytosanitary certificates issued by the department of agriculture under chapters 15.13, 15.49, and 15.17 RCW or federal phytosanitary certificates issued under 7 C.F.R. 353 through cooperative agreements with the animal and plant health inspection service, United States department of agriculture, or on applications for phytosanitary certification required by the department of agriculture;
- (5) Financial and commercial information and records supplied by persons
 - (a) to the department of agriculture for the purpose of conducting a referendum for the potential establishment of a commodity board or commission; or
 - (b) to the department of agriculture or commodity boards or commissions formed

under chapter 15.24, 15.28, 15.44, 15.65, 15.66, 15.74, 15.88, 15.115, 15.100, 15.89, or 16.67 RCW with respect to domestic or export marketing activities or individual producer's production information;

(6) Information obtained regarding the purchases, sales, or production of an individual American ginseng grower or dealer, except for providing reports to the United States fish and wildlife service under RCW 15.19.080;

(7) Information collected regarding packers and shippers of fruits and vegetables for the issuance of certificates of compliance under RCW 15.17.140(2) and 15.17.143;

(8) Financial statements obtained under RCW 16.65.030(1)(d) for the purposes of determining whether or not the applicant meets the minimum net worth requirements to construct or operate a public livestock market;

(9) Information submitted by an individual or business to the department of agriculture under the requirements of chapters 16.36, 16.57, and 43.23 RCW for the purpose of herd inventory management for animal disease traceability. This information includes animal ownership, numbers of animals, locations, contact information, movements of livestock, financial information, the purchase and sale of livestock, account numbers or unique identifiers issued by government to private entities, and information related to livestock disease or injury that would identify an animal, a person, or location. Disclosure to local, state, and federal officials is not public disclosure. This exemption does not affect the disclosure of information used in reportable animal health investigations under chapter 16.36 RCW once they are complete;

(10) Results of testing for animal diseases from samples submitted by or at the direction of the animal owner or his or her designee that can be identified to a particular business or individual;

(11) Records of international livestock importation that can be identified to a particular animal, business, or individual received from the United States department of homeland security or the United States department of agriculture that are not disclosable by the federal agency under federal law including 5 U.S.C. Sec. 552; ~~((and))~~

(12) Records related to the entry of prohibited agricultural products imported into Washington state or that had Washington state as a final destination received from the United States department of homeland security or the United States department of agriculture that are not disclosable by the federal agency under federal law including 5 U.S.C. Sec. 552; and

(13) Hop grower lot numbers and laboratory results associated with the hop grower lot numbers where this information is used by the department of agriculture to issue export documents.

Passed by the House February 12, 2018.

Passed by the Senate February 27, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 171

[Engrossed Substitute House Bill 2700]

CHILD FORENSIC INTERVIEWS--PRIVACY

AN ACT Relating to the handling of child forensic interview and child interview digital recordings; amending RCW 26.44.020, 26.44.020, and 26.44.185; reenacting and amending RCW 42.56.240; adding new sections to chapter 26.44 RCW; creating a new section; prescribing penalties; providing an effective date; providing an expiration date; and declaring an emergency.

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:

The legislature recognizes an inherent privacy interest that a child has with respect to the child's recorded voice and image when describing the highly sensitive details of abuse or neglect upon the child as defined in RCW 26.44.020. The legislature further finds that reasonable restrictions on the dissemination of these recordings can accommodate both privacy interests and due process. To that end, the legislature intends to exempt these recordings from dissemination under the public records act and provide additional sanction authority for violations of protective orders that set forth such terms and conditions as are necessary to protect the privacy of the child.

Sec. 2. RCW 26.44.020 and 2012 c 259 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) "Abuse or neglect" means sexual abuse, sexual exploitation, or injury of a child by any person under circumstances which cause harm to the child's health, welfare, or safety, excluding conduct permitted under RCW 9A.16.100; or the negligent treatment or maltreatment of a child by a person responsible for or providing care to the child. An abused child is a child who has been subjected to child abuse or neglect as defined in this section.

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

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

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

(5) "Children's advocacy center" means a child-focused facility in good standing with the state chapter for children's advocacy centers and that

coordinates a multidisciplinary process for the investigation, prosecution, and treatment of sexual and other types of child abuse. Children's advocacy centers provide a location for forensic interviews and coordinate access to services such as, but not limited to, medical evaluations, advocacy, therapy, and case review by multidisciplinary teams within the context of county protocols as defined in RCW 26.44.180 and 26.44.185.

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

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

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

(9) "Family assessment" means a comprehensive assessment of child safety, risk of subsequent child abuse or neglect, and family strengths and needs that is applied to a child abuse or neglect report. Family assessment does not include a determination as to whether child abuse or neglect occurred, but does determine the need for services to address the safety of the child and the risk of subsequent maltreatment.

(10) "Family assessment response" means a way of responding to certain reports of child abuse or neglect made under this chapter using a differential response approach to child protective services. The family assessment response shall focus on the safety of the child, the integrity and preservation of the family, and shall assess the status of the child and the family in terms of risk of abuse and neglect including the parent's or guardian's or other caretaker's capacity and willingness to protect the child and, if necessary, plan and arrange the provision of services to reduce the risk and otherwise support the family. No one is named as a perpetrator, and no investigative finding is entered in the record as a result of a family assessment.

(11) "Founded" means the determination following an investigation by the department that, based on available information, it is more likely than not that child abuse or neglect did occur.

(12) "Inconclusive" means the determination following an investigation by the department, prior to October 1, 2008, that based on available information a decision cannot be made that more likely than not, child abuse or neglect did or did not occur.

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

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

(15) "Malice" or "maliciously" means an intent, wish, or design to intimidate, annoy, or injure another person. Such malice may be inferred from an act done in willful disregard of the rights of another, or an act wrongfully done without just cause or excuse, or an act or omission of duty betraying a willful disregard of social duty.

(16) "Negligent treatment or maltreatment" means an act or a failure to act, or the cumulative effects of a pattern of conduct, behavior, or inaction, that evidences a serious disregard of consequences of such magnitude as to constitute

a clear and present danger to a child's health, welfare, or safety, including but not limited to conduct prohibited under RCW 9A.42.100. When considering whether a clear and present danger exists, evidence of a parent's substance abuse as a contributing factor to negligent treatment or maltreatment shall be given great weight. The fact that siblings share a bedroom is not, in and of itself, negligent treatment or maltreatment. Poverty, homelessness, or exposure to domestic violence as defined in RCW 26.50.010 that is perpetrated against someone other than the child does not constitute negligent treatment or maltreatment in and of itself.

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

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

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

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

(21) "Screened-out report" means a report of alleged child abuse or neglect that the department has determined does not rise to the level of a credible report of abuse or neglect and is not referred for investigation.

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

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

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

(25) "Supervising agency" means an agency licensed by the state under RCW 74.15.090 or an Indian tribe under RCW 74.15.190 that has entered into a performance-based contract with the department to provide child welfare services.

(26) "Unfounded" means the determination following an investigation by the department that available information indicates that, more likely than not, child abuse or neglect did not occur, or that there is insufficient evidence for the department to determine whether the alleged child abuse did or did not occur.

(27) "Child forensic interview" means a developmentally sensitive and legally sound method of gathering factual information regarding allegations of child abuse, child neglect, or exposure to violence. This interview is conducted by a competently trained, neutral professional utilizing techniques informed by research and best practice as part of a larger investigative process.

Sec. 3. RCW 26.44.020 and 2017 3rd sp.s. c 6 s 321 are each amended to read as follows:

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

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

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

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

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

(5) "Children's advocacy center" means a child-focused facility in good standing with the state chapter for children's advocacy centers and that coordinates a multidisciplinary process for the investigation, prosecution, and treatment of sexual and other types of child abuse. Children's advocacy centers provide a location for forensic interviews and coordinate access to services such as, but not limited to, medical evaluations, advocacy, therapy, and case review by multidisciplinary teams within the context of county protocols as defined in RCW 26.44.180 and 26.44.185.

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

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

(8) "Department" means the department of children, youth, and families.

(9) "Family assessment" means a comprehensive assessment of child safety, risk of subsequent child abuse or neglect, and family strengths and needs that is

applied to a child abuse or neglect report. Family assessment does not include a determination as to whether child abuse or neglect occurred, but does determine the need for services to address the safety of the child and the risk of subsequent maltreatment.

(10) "Family assessment response" means a way of responding to certain reports of child abuse or neglect made under this chapter using a differential response approach to child protective services. The family assessment response shall focus on the safety of the child, the integrity and preservation of the family, and shall assess the status of the child and the family in terms of risk of abuse and neglect including the parent's or guardian's or other caretaker's capacity and willingness to protect the child and, if necessary, plan and arrange the provision of services to reduce the risk and otherwise support the family. No one is named as a perpetrator, and no investigative finding is entered in the record as a result of a family assessment.

(11) "Founded" means the determination following an investigation by the department that, based on available information, it is more likely than not that child abuse or neglect did occur.

(12) "Inconclusive" means the determination following an investigation by the department of social and health services, prior to October 1, 2008, that based on available information a decision cannot be made that more likely than not, child abuse or neglect did or did not occur.

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

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

(15) "Malice" or "maliciously" means an intent, wish, or design to intimidate, annoy, or injure another person. Such malice may be inferred from an act done in willful disregard of the rights of another, or an act wrongfully done without just cause or excuse, or an act or omission of duty betraying a willful disregard of social duty.

(16) "Negligent treatment or maltreatment" means an act or a failure to act, or the cumulative effects of a pattern of conduct, behavior, or inaction, that evidences a serious disregard of consequences of such magnitude as to constitute a clear and present danger to a child's health, welfare, or safety, including but not limited to conduct prohibited under RCW 9A.42.100. When considering whether a clear and present danger exists, evidence of a parent's substance abuse as a contributing factor to negligent treatment or maltreatment shall be given great weight. The fact that siblings share a bedroom is not, in and of itself, negligent treatment or maltreatment. Poverty, homelessness, or exposure to domestic violence as defined in RCW 26.50.010 that is perpetrated against someone other than the child does not constitute negligent treatment or maltreatment in and of itself.

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

(18) "Practitioner of the healing arts" or "practitioner" means a person licensed by this state to practice podiatric medicine and surgery, optometry, chiropractic, nursing, dentistry, osteopathic medicine and surgery, or medicine

and surgery or to provide other health services. The term "practitioner" includes a duly accredited Christian Science practitioner. A person who is being furnished Christian Science treatment by a duly accredited Christian Science practitioner will not be considered, for that reason alone, a neglected person for the purposes of this chapter.

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

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

(21) "Screened-out report" means a report of alleged child abuse or neglect that the department has determined does not rise to the level of a credible report of abuse or neglect and is not referred for investigation.

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

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

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

(25) "Supervising agency" means an agency licensed by the state under RCW 74.15.090 or an Indian tribe under RCW 74.15.190 that has entered into a performance-based contract with the department to provide child welfare services.

(26) "Unfounded" means the determination following an investigation by the department that available information indicates that, more likely than not, child abuse or neglect did not occur, or that there is insufficient evidence for the department to determine whether the alleged child abuse did or did not occur.

(27) "Child forensic interview" means a developmentally sensitive and legally sound method of gathering factual information regarding allegations of child abuse, child neglect, or exposure to violence. This interview is conducted by a competently trained, neutral professional utilizing techniques informed by research and best practice as part of a larger investigative process.

NEW SECTION, Sec. 4. A new section is added to chapter 26.44 RCW to read as follows:

Any and all audio and video recordings of child forensic interviews as defined in this chapter are exempt from disclosure under the public records act, chapter 42.56 RCW. Such recordings are confidential under chapter 13.50 RCW and federal law and may only be disclosed pursuant to a court order entered upon a showing of good cause and with advance notice to the child's parent, guardian, or legal custodian. However, if the child is an emancipated minor or has attained the age of majority as defined in RCW 26.28.010, advance notice must be to the child. Failure to disclose an audio or video recording of a child

forensic interview as defined in this chapter is not grounds for penalties or other sanctions available under chapter 42.56 RCW or RCW 13.50.100(10). Nothing in this section is intended to restrict the ability of the department or law enforcement to share child welfare information as authorized or required by state or federal law.

Sec. 5. RCW 26.44.185 and 2010 c 176 s 3 are each amended to read as follows:

(1) Each county shall revise and expand its existing child sexual abuse investigation protocol to address investigations of child fatality, child physical abuse, and criminal child neglect cases and to incorporate the statewide guidelines for first responders to child fatalities developed by the criminal justice training commission. The protocols shall address the coordination of child fatality, child physical abuse, and criminal child neglect investigations between the county and city prosecutor's offices, law enforcement, children's protective services, children's advocacy centers, where available, local advocacy groups, emergency medical services, and any other local agency involved in the investigation of such cases. The protocol shall include the handling of child forensic interview audio and video recordings in accordance with section 6 of this act. The protocol revision and expansion shall be developed by the prosecuting attorney in collaboration with the agencies referenced in this section.

(2) Revised and expanded protocols under this section shall be adopted and in place by July 1, 2008. Thereafter, the protocols shall be reviewed every two years to determine whether modifications are needed.

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

(1) Any and all audio and video recordings of child forensic interviews disclosed in a criminal or civil proceeding must be subject to a protective order, or other such order, unless the court finds good cause that the interview should not be subject to such an order. The protective order shall include the following: (a) That the recording be used only for the purposes of conducting the party's side of the case, unless otherwise agreed by the parties or ordered by the court; (b) that the recording not be copied, photographed, duplicated, or otherwise reproduced except as a written transcript that does not reveal the identity of the child; (c) that the recording not be given, displayed, or in any way provided to a third party, except as permitted in (d) or (e) of this subsection or as necessary at trial; (d) that the recording remain in the exclusive custody of the attorneys, their employees, or agents, including expert witnesses retained by either party, who shall be provided a copy of the protective order; (e) that, if the party is not represented by an attorney, the party, their employees, and agents, including expert witnesses, shall not be given a copy of the recording but shall be given reasonable access to view the recording by the custodian of the recording; and (f) that upon termination of representation or upon disposition of the matter at the trial court level, attorneys and other custodians of recordings promptly return all copies of the recording.

(2) A violation of a court order pursuant to this section is subject to a civil penalty of up to ten thousand dollars, in addition to any other appropriate sanction by the court.

(3) Nothing in this section is intended to restrict the ability of the department or law enforcement to share child welfare information as authorized or required by state or federal law.

Sec. 7. RCW 42.56.240 and 2017 c 261 s 7 and 2017 c 72 s 3 are each reenacted and amended to read as follows:

The following investigative, law enforcement, and crime victim information is exempt from public inspection and copying under this chapter:

(1) Specific intelligence information and specific investigative records compiled by investigative, law enforcement, and penology agencies, and state agencies vested with the responsibility to discipline members of any profession, the nondisclosure of which is essential to effective law enforcement or for the protection of any person's right to privacy;

(2) Information revealing the identity of persons who are witnesses to or victims of crime or who file complaints with investigative, law enforcement, or penology agencies, other than the commission, if disclosure would endanger any person's life, physical safety, or property. If at the time a complaint is filed the complainant, victim, or witness indicates a desire for disclosure or nondisclosure, such desire shall govern. However, all complaints filed with the commission about any elected official or candidate for public office must be made in writing and signed by the complainant under oath;

(3) Any records of investigative reports prepared by any state, county, municipal, or other law enforcement agency pertaining to sex offenses contained in chapter 9A.44 RCW or sexually violent offenses as defined in RCW 71.09.020, which have been transferred to the Washington association of sheriffs and police chiefs for permanent electronic retention and retrieval pursuant to RCW 40.14.070(2)(b);

(4) License applications under RCW 9.41.070; copies of license applications or information on the applications may be released to law enforcement or corrections agencies;

(5) Information revealing the identity of child victims of sexual assault who are under age eighteen. Identifying information means the child victim's name, address, location, photograph, and in cases in which the child victim is a relative or stepchild of the alleged perpetrator, identification of the relationship between the child and the alleged perpetrator;

(6) Information contained in a local or regionally maintained gang database as well as the statewide gang database referenced in RCW 43.43.762;

(7) Data from the electronic sales tracking system established in RCW 69.43.165;

(8) Information submitted to the statewide unified sex offender notification and registration program under RCW 36.28A.040(6) by a person for the purpose of receiving notification regarding a registered sex offender, including the person's name, residential address, and email address;

(9) Personally identifying information collected by law enforcement agencies pursuant to local security alarm system programs and vacation crime watch programs. Nothing in this subsection shall be interpreted so as to prohibit the legal owner of a residence or business from accessing information regarding his or her residence or business;

(10) The felony firearm offense conviction database of felony firearm offenders established in RCW 43.43.822;

(11) The identity of a state employee or officer who has in good faith filed a complaint with an ethics board, as provided in RCW 42.52.410, or who has in good faith reported improper governmental action, as defined in RCW 42.40.020, to the auditor or other public official, as defined in RCW 42.40.020;

(12) The following security threat group information collected and maintained by the department of corrections pursuant to RCW 72.09.745: (a) Information that could lead to the identification of a person's security threat group status, affiliation, or activities; (b) information that reveals specific security threats associated with the operation and activities of security threat groups; and (c) information that identifies the number of security threat group members, affiliates, or associates;

(13) The global positioning system data that would indicate the location of the residence of an employee or worker of a criminal justice agency as defined in RCW 10.97.030;

(14) Body worn camera recordings to the extent nondisclosure is essential for the protection of any person's right to privacy as described in RCW 42.56.050, including, but not limited to, the circumstances enumerated in (a) of this subsection. A law enforcement or corrections agency shall not disclose a body worn camera recording to the extent the recording is exempt under this subsection.

(a) Disclosure of a body worn camera recording is presumed to be highly offensive to a reasonable person under RCW 42.56.050 to the extent it depicts:

(i)(A) Any areas of a medical facility, counseling, or therapeutic program office where:

(I) A patient is registered to receive treatment, receiving treatment, waiting for treatment, or being transported in the course of treatment; or

(II) Health care information is shared with patients, their families, or among the care team; or

(B) Information that meets the definition of protected health information for purposes of the health insurance portability and accountability act of 1996 or health care information for purposes of chapter 70.02 RCW;

(ii) The interior of a place of residence where a person has a reasonable expectation of privacy;

(iii) An intimate image as defined in RCW 9A.86.010;

(iv) A minor;

(v) The body of a deceased person;

(vi) The identity of or communications from a victim or witness of an incident involving domestic violence as defined in RCW 10.99.020 or sexual assault as defined in RCW 70.125.030, or disclosure of intimate images as defined in RCW 9A.86.010. If at the time of recording the victim or witness indicates a desire for disclosure or nondisclosure of the recorded identity or communications, such desire shall govern; or

(vii) The identifiable location information of a community-based domestic violence program as defined in RCW 70.123.020, or emergency shelter as defined in RCW 70.123.020.

(b) The presumptions set out in (a) of this subsection may be rebutted by specific evidence in individual cases.

(c) In a court action seeking the right to inspect or copy a body worn camera recording, a person who prevails against a law enforcement or corrections

agency that withholds or discloses all or part of a body worn camera recording pursuant to (a) of this subsection is not entitled to fees, costs, or awards pursuant to RCW 42.56.550 unless it is shown that the law enforcement or corrections agency acted in bad faith or with gross negligence.

(d) A request for body worn camera recordings must:

(i) Specifically identify a name of a person or persons involved in the incident;

(ii) Provide the incident or case number;

(iii) Provide the date, time, and location of the incident or incidents; or

(iv) Identify a law enforcement or corrections officer involved in the incident or incidents.

(e)(i) A person directly involved in an incident recorded by the requested body worn camera recording, an attorney representing a person directly involved in an incident recorded by the requested body worn camera recording, a person or his or her attorney who requests a body worn camera recording relevant to a criminal case involving that person, or the executive director from either the Washington state commission on African-American affairs, Asian Pacific American affairs, or Hispanic affairs, has the right to obtain the body worn camera recording, subject to any exemption under this chapter or any applicable law. In addition, an attorney who represents a person regarding a potential or existing civil cause of action involving the denial of civil rights under the federal or state Constitution, or a violation of a United States department of justice settlement agreement, has the right to obtain the body worn camera recording if relevant to the cause of action, subject to any exemption under this chapter or any applicable law. The attorney must explain the relevancy of the requested body worn camera recording to the cause of action and specify that he or she is seeking relief from redaction costs under this subsection (14)(e).

(ii) A law enforcement or corrections agency responding to requests under this subsection (14)(e) may not require the requesting individual to pay costs of any redacting, altering, distorting, pixelating, suppressing, or otherwise obscuring any portion of a body worn camera recording.

(iii) A law enforcement or corrections agency may require any person requesting a body worn camera recording pursuant to this subsection (14)(e) to identify himself or herself to ensure he or she is a person entitled to obtain the body worn camera recording under this subsection (14)(e).

(f)(i) A law enforcement or corrections agency responding to a request to disclose body worn camera recordings may require any requester not listed in (e) of this subsection to pay the reasonable costs of redacting, altering, distorting, pixelating, suppressing, or otherwise obscuring any portion of the body worn camera recording prior to disclosure only to the extent necessary to comply with the exemptions in this chapter or any applicable law.

(ii) An agency that charges redaction costs under this subsection (14)(f) must use redaction technology that provides the least costly commercially available method of redacting body worn camera recordings, to the extent possible and reasonable.

(iii) In any case where an agency charges a requestor for the costs of redacting a body worn camera recording under this subsection (14)(f), the time spent on redaction of the recording shall not count towards the agency's allocation of, or limitation on, time or costs spent responding to public records

requests under this chapter, as established pursuant to local ordinance, policy, procedure, or state law.

(g) For purposes of this subsection (14):

(i) "Body worn camera recording" means a video and/or sound recording that is made by a body worn camera attached to the uniform or eyewear of a law enforcement or corrections officer from a covered jurisdiction while in the course of his or her official duties and that is made on or after June 9, 2016, and prior to July 1, 2019; and

(ii) "Covered jurisdiction" means any jurisdiction that has deployed body worn cameras as of June 9, 2016, regardless of whether or not body worn cameras are being deployed in the jurisdiction on June 9, 2016, including, but not limited to, jurisdictions that have deployed body worn cameras on a pilot basis.

(h) Nothing in this subsection shall be construed to restrict access to body worn camera recordings as otherwise permitted by law for official or recognized civilian and accountability bodies or pursuant to any court order.

(i) Nothing in this section is intended to modify the obligations of prosecuting attorneys and law enforcement under *Brady v. Maryland*, 373 U.S. 83, 83 S. Ct. 1194, 10 L. Ed. 2d 215 (1963), *Kyles v. Whitley*, 541 U.S. 419, 115 S. Ct. 1555, 131 L. Ed.2d 490 (1995), and the relevant Washington court criminal rules and statutes.

(j) A law enforcement or corrections agency must retain body worn camera recordings for at least sixty days and thereafter may destroy the records;

(15) Any records and information contained within the statewide sexual assault kit tracking system established in RCW 43.43.545; ~~((and))~~

(16)(a) Survivor communications with, and survivor records maintained by, campus-affiliated advocates.

(b) Nothing in this subsection shall be construed to restrict access to records maintained by a campus-affiliated advocate in the event that:

(i) The survivor consents to inspection or copying;

(ii) There is a clear, imminent risk of serious physical injury or death of the survivor or another person;

(iii) Inspection or copying is required by federal law; or

(iv) A court of competent jurisdiction mandates that the record be available for inspection or copying.

(c) "Campus-affiliated advocate" and "survivor" have the definitions in RCW 28B.112.030; ~~((and))~~

(17) Information and records prepared, owned, used, or retained by the Washington association of sheriffs and police chiefs and information and records prepared, owned, used, or retained by the Washington state patrol pursuant to chapter 261, Laws of 2017; and

(18) Any and all audio or video recordings of child forensic interviews as defined in chapter 26.44 RCW. Such recordings are confidential and may only be disclosed pursuant to a court order entered upon a showing of good cause and with advance notice to the child's parent, guardian, or legal custodian. However, if the child is an emancipated minor or has attained the age of majority as defined in RCW 26.28.010, advance notice must be to the child. Failure to disclose an audio or video recording of a child forensic interview as defined in

chapter 26.44 RCW is not grounds for penalties or other sanctions available under this chapter.

NEW SECTION. Sec. 8. Section 7 of this act applies retroactively to all outstanding public records requests submitted prior to the effective date of this section.

NEW SECTION. Sec. 9. Section 2 of this act expires July 1, 2018.

NEW SECTION. Sec. 10. Section 3 of this act takes effect July 1, 2018.

NEW SECTION. Sec. 11. Except for section 3 of this act, this act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

Passed by the House March 3, 2018.

Passed by the Senate February 28, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 172

[House Bill 2733]

PREScribed BURN MANAGER CERTIFICATION PROGRAM

AN ACT Relating to establishing a prescribed burn certification program at the department of natural resources; and adding a new section to chapter 76.04 RCW.

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

NEW SECTION. Sec. 1. A new section is added to chapter 76.04 RCW to read as follows:

(1) Subject to availability of amounts appropriated for this specific purpose, the department must create a prescribed burn manager certification program for those who practice prescribed burning in the state. The certification program must include training on all relevant aspects of prescribed fire in Washington including, but not limited to, the following: Legal requirements; safety; weather; fire behavior; smoke management; prescribed fire techniques; public relations; planning; and contingencies.

(2) The department may not require certification under the program created under subsection (1) of this section for burn permit approval under this chapter. Nothing in this section may be construed as creating a mandatory prescribed burn manager certification requirement to conduct prescribed burning in Washington.

(3) No civil or criminal liability may be imposed by any court, the state, or its officers and employees, on a prescribed burn manager certified under the program created under subsection (1) of this section, for any direct or proximate adverse impacts resulting from a prescribed fire conducted under the provisions of this chapter except upon proof of gross negligence or willful or wanton misconduct.

(4) The department may adopt rules to create the prescribed burn manager certification program and to set periodic renewal criteria. The rules should be developed in consultation with prescribed burn programs in other states. The department may also adopt rules to establish a decertification process for

certified prescribed burn managers who commit a violation under this chapter or rules adopted under this chapter. The department may, in its own discretion, develop an equivalency test for experienced prescribed burn managers.

(5) Certified prescribed burn managers may be issued burn permits with modified requirements in recognition of their training and skills. In such cases, normal smoke management and fire risk parameters apply.

Passed by the House March 6, 2018.

Passed by the Senate March 2, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 173

[Engrossed House Bill 2750]

ASSISTED LIVING FACILITIES--QUALITY

AN ACT Relating to quality in assisted living facilities; amending RCW 18.20.190 and 18.20.430; adding new sections to chapter 18.20 RCW; creating a new section; and prescribing penalties.

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

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

(1) Washington state is ranked number one in the nation in offering quality choices in its long-term services and supports system. Assisted living facilities are an important part of the state's long-term services and supports plan;

(2) Consumers should have access to current information about assisted living facilities to make informed choices;

(3) Washingtonians choose to live in assisted living facilities for many different reasons including safety, access to care, socialization, rehabilitation, and community;

(4) Deciding where to live and what kind of facility to live in are big decisions for potential residents and families. They deserve to have access to all information collected by the state to use in making their decisions. Providing transparency will allow for more informed consumer choices;

(5) Consumers already have access to information on nursing homes and adult family homes. This act would bring assisted living facilities in line with other settings; and

(6) Assisted living facilities need to be held accountable for the residents in their care and the fine structure should be reflective of that responsibility.

NEW SECTION. Sec. 2. A new section is added to chapter 18.20 RCW to read as follows:

The department shall provide information to consumers about assisted living facilities. This information must be made available online and must include information related to site visits, substantiated inspection and complaint investigation reports, including any citation and remedy imposed, and a listing of licensed assisted living facilities by geographic location.

NEW SECTION. Sec. 3. A new section is added to chapter 18.20 RCW to read as follows:

(1) The department shall facilitate a work group process to recommend quality metrics for assisted living facilities. The department shall keep a public

record of comments submitted by stakeholders throughout the work group process.

(2) The work group shall consist of representatives from the department, assisted living provider associations, the long-term care ombuds; organizations with expertise in serving persons with mental health needs in an institutional setting, as selected by the department; organizations with expertise in serving persons with developmental disability needs in an institutional setting, as selected by the department; organizations with expertise in serving culturally diverse and non-English-speaking persons in an institutional setting, as selected by the department; health care professionals with experience caring for diverse and non-English-speaking patients, as selected by the department; licensed health care professionals with experience caring for geriatric patients, as selected by the department; and an Alzheimer's advocacy organization. The work group may solicit input from individuals with additional expertise, if necessary.

(3) The work group shall make an interim report by September 1, 2019, and final recommendations to the appropriate legislative committees by September 1, 2020, and shall include a dissent report if agreement is not achieved among stakeholders and the department.

(4) The work group must submit recommendations for a quality metric system, propose a process for monitoring and tracking performance, and recommend a process to inform consumers.

(5) The department shall include at least one meeting dedicated to review and analysis of other states with quality metric methodologies for assisted living and must include information on how well each state is achieving quality care outcomes. In addressing data metrics the work group shall consider whether the data that must be reported reflect and promote quality of care and whether reporting the data is unnecessarily burdensome upon assisted living facilities.

Sec. 4. RCW 18.20.190 and 2012 c 10 s 13 are each amended to read as follows:

(1) The department of social and health services is authorized to take one or more of the actions listed in subsection (2) of this section in any case in which the department finds that an assisted living facility provider has:

(a) Failed or refused to comply with the requirements of this chapter or the rules adopted under this chapter;

(b) Operated an assisted living facility without a license or under a revoked license;

(c) Knowingly, or with reason to know, made a false statement of material fact on his or her application for license or any data attached thereto, or in any matter under investigation by the department; or

(d) Willfully prevented or interfered with any inspection or investigation by the department.

(2) When authorized by subsection (1) of this section, the department may take one or more of the following actions, using a tiered sanction grid that considers the extent of harm from the deficiency and the regularity of the occurrence of the deficiency when imposing civil fines:

(a) Refuse to issue a license;

(b) Impose reasonable conditions on a license, such as correction within a specified time, training, and limits on the type of clients the provider may admit or serve;

(c) Impose civil penalties of ~~((not more than))~~ at least one hundred dollars per day per violation. Until July 1, 2019, the civil penalties may not exceed one thousand dollars per day per violation. Beginning July 1, 2019, through June 30, 2020, the civil penalties may not exceed two thousand dollars per day per violation. Beginning July 1, 2020, the civil penalties may not exceed three thousand dollars per day per violation;

(d) Impose civil penalties of up to ten thousand dollars for a current or former licensed provider who is operating an unlicensed facility;

~~(e)~~ Suspend, revoke, or refuse to renew a license;

~~((e))~~ (f) Suspend admissions to the assisted living facility by imposing stop placement; or

~~((f))~~ (g) Suspend admission of a specific category or categories of residents as related to the violation by imposing a limited stop placement.

(3) When the department orders stop placement or a limited stop placement, the facility shall not admit any new resident until the stop placement or limited stop placement order is terminated. The department may approve readmission of a resident to the facility from a hospital or nursing home during the stop placement or limited stop placement. The department shall terminate the stop placement or limited stop placement when: (a) The violations necessitating the stop placement or limited stop placement have been corrected; and (b) the provider exhibits the capacity to maintain correction of the violations previously found deficient. However, if upon the revisit the department finds new violations that the department reasonably believes will result in a new stop placement or new limited stop placement, the previous stop placement or limited stop placement shall remain in effect until the new stop placement or new limited stop placement is imposed.

(4) After a department finding of a violation for which a stop placement or limited stop placement has been imposed, the department shall make an on-site revisit of the provider within fifteen working days from the request for revisit, to ensure correction of the violation. For violations that are serious or recurring or uncorrected following a previous citation, and create actual or threatened harm to one or more residents' well-being, including violations of residents' rights, the department shall make an on-site revisit as soon as appropriate to ensure correction of the violation. Verification of correction of all other violations may be made by either a department on-site revisit or by written or photographic documentation found by the department to be credible. This subsection does not prevent the department from enforcing license suspensions or revocations. Nothing in this subsection shall interfere with or diminish the department's authority and duty to ensure that the provider adequately cares for residents, including to make departmental on-site revisits as needed to ensure that the provider protects residents, and to enforce compliance with this chapter.

(5) RCW 43.20A.205 governs notice of a license denial, revocation, suspension, or modification. Chapter 34.05 RCW applies to department actions under this section, except that orders of the department imposing license suspension, stop placement, limited stop placement, or conditions for continuation of a license are effective immediately upon notice and shall continue pending any hearing.

(6) All receipts from civil penalties imposed under this chapter must be deposited in the assisted living facility temporary management account created in RCW 18.20.430.

(7) For the purposes of this section, "limited stop placement" means the ability to suspend admission of a specific category or categories of residents.

Sec. 5. RCW 18.20.430 and 2016 sp.s. c 36 s 912 are each amended to read as follows:

The assisted living facility temporary management account is created in the custody of the state treasurer. All receipts from civil penalties imposed under this chapter must be deposited into the account. Only the director or the director's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures. Expenditures from the account may be used only for the protection of the health, safety, welfare, or property of residents of assisted living facilities found to be deficient. Uses of the account include, but are not limited to:

(1) Payment for the costs of relocation of residents to other facilities;

(2) Payment to maintain operation of an assisted living facility pending correction of deficiencies or closure, including payment of costs associated with temporary management authorized under this chapter; ~~((and))~~

(3) Reimbursement of residents for personal funds or property lost or stolen when the resident's personal funds or property cannot be recovered from the assisted living facility or third-party insurer; and

(4) The protection of the health, safety, welfare, and property of residents of assisted living facilities found to be noncompliant with licensing standards.

~~((During the 2015-2017 fiscal biennium, the account may be expended for funding the costs associated with the assisted living program.))~~

Passed by the House March 8, 2018.

Passed by the Senate March 7, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 174

[Engrossed House Bill 2777]

BOARD OF TAX APPEALS

AN ACT Relating to improving and updating administrative provisions related to the board of tax appeals; amending RCW 82.03.020, 82.03.030, 82.03.040, 82.03.050, 82.03.060, 82.03.070, 82.03.080, 82.03.090, 82.03.100, 82.03.110, 82.03.120, 82.03.140, 82.03.150, 82.03.160, and 82.03.170; adding new sections to chapter 82.03 RCW; and creating a new section.

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

Sec. 1. RCW 82.03.020 and 1967 ex.s. c 26 s 31 are each amended to read as follows:

(1) The board of tax appeals, hereinafter ~~((in chapter 26, Laws of 1967 ex. sess.))~~ referred to as the board, ~~((shall))~~ must consist of three members qualified by experience and training in the field of state and local taxation, appointed by the governor with the advice and consent of the senate, and no more than two of

whom at the time of appointment or during their terms (~~shall~~) may be members of the same political party.

(2) Beginning with appointments made after the effective date of this section, at least two members of the board must be attorneys licensed to practice law in the state of Washington with substantial knowledge of Washington tax law. At least one attorney member must have substantial experience in making a record suitable for judicial review. Any nonattorney member must have substantial experience in the fields of residential and commercial property appraisal.

(3) Each member of the board must attend at least twenty hours of judicial training deemed by the board to be appropriate for instructing members in Washington law, evidentiary procedures, and judicial practice and ethics.

Sec. 2. RCW 82.03.030 and 1967 ex.s. c 26 s 32 are each amended to read as follows:

Members of the board (~~shall~~) must be appointed for a term of six years and until their successors are appointed and have qualified. (~~In case of a vacancy, it shall~~) Vacancies must be filled by appointment by the governor, in accordance with section 1 of this act, for the unexpired portion of the term in which (said) the vacancy occurs(~~:- PROVIDED, That the terms of the first three members of the board shall be staggered so that one member shall be appointed to serve until March 1, 1969, one member until March 1, 1971, and one member until March 1, 1973~~)).

Sec. 3. RCW 82.03.040 and 1967 ex.s. c 26 s 33 are each amended to read as follows:

Any member of the board may be removed for inefficiency, malfeasance or misfeasance in office, upon specific written charges filed by the governor, who (~~shall~~) must transmit such written charges to the member accused and to the chief justice of the supreme court. The chief justice (~~shall~~) must thereupon designate a tribunal composed of three judges of the superior court to hear and adjudicate the charges. Such tribunal (~~shall~~) must fix the time of the hearing, which (~~shall~~) must be public, and the procedure for the hearing, and the decision of such tribunal (~~shall be~~) are final and not subject to review by the supreme court. Removal of any member of the board by the tribunal (~~shall disqualify such~~) disqualifies that member (~~for~~) from reappointment.

Sec. 4. RCW 82.03.050 and 2013 c 23 s 311 are each amended to read as follows:

(1) The board (~~shall~~) must operate on ((either a part-time or)) a full-time basis(~~, as determined by the governor. If it is determined that the board shall operate on a full-time basis, each member of the board shall receive an annual salary to be determined by the governor. If it is determined that the board shall operate on a part-time basis, each member of the board shall receive compensation on the basis of seventy-five dollars for each day spent in performance of his or her duties, but such compensation shall not exceed ten thousand dollars in a fiscal year~~)). Each member of the board must devote his or her full time and efforts to the efficient discharge of the duties of the board.

(2) Board members must receive an annual salary in the same range as that established for equivalent members of class four boards under RCW 43.03.250.

(3) Each board member (~~(shall)~~) must receive reimbursement for travel expenses incurred in the discharge of his or her duties in accordance with RCW 43.03.050 and 43.03.060 as now existing or hereafter amended.

Sec. 5. RCW 82.03.060 and 2013 c 23 s 312 are each amended to read as follows:

~~((Each member of the board of tax appeals:~~

~~(1) Shall not))~~ (1) No member of the board may be a candidate for (~~(nor)~~) or hold any other public office or trust, and (~~(shall)~~) may not engage in any occupation or business interfering with or inconsistent with his or her duty as a member of the board, (~~(nor shall he or she)~~) or serve on or under any committee of any political party; and

(2) (~~(Shall not)~~) No member of the board may, for a period of one year after the termination of his or her membership on the board, act in a representative capacity before the board on any matter.

**Sec. 6. RCW 82.03.070 and 1988 c 222 s 2 are each amended to read as follows:*

~~(1) The board ((may)) must appoint, discharge and fix the compensation of an executive director, tax referees, and a clerk((-and)). The board may appoint such other clerical, professional and technical assistants as may be necessary. Tax referees ((shall)) are not ((be)) subject to chapter 41.06 RCW.~~

(2) The board must maintain at least five tax referees, of which two must be active or judicial members of the Washington state bar association and three must be state-certified general real estate appraisers, as defined in RCW 18.140.010(22).

**Sec. 6 was vetoed. See message at end of chapter.*

Sec. 7. RCW 82.03.080 and 2013 c 23 s 313 are each amended to read as follows:

~~((The board shall as soon as practicable after the initial appointment of the members thereof,))~~ (1) The board must meet and elect from among its members a chair (~~(-and shall)~~) at least biennially (~~(thereafter meet and elect such a chair)~~).

(2) A majority of the board constitutes a quorum when transacting official business of the agency. The board may act when one board position is vacant.

**Sec. 8. RCW 82.03.090 and 1967 ex.s. c 26 s 38 are each amended to read as follows:*

~~(1) The principal office of the board ((shall)) must be at the state capital, but it may sit or hold hearings at any other place in the state. ((A majority of the board shall constitute a quorum for making orders or decisions, promulgating rules and regulations necessary for the conduct of its powers and duties, or transacting other official business, and may act though one position on the board be vacant.))~~ The board must provide for regular hearings in the most populous county west of the crest of the Cascade mountains and east of the crest of the Cascade mountains for the conduct of informal proceedings.

(2) One or more members may hold hearings and take testimony to be reported for action by the board when authorized by rule or order of the board. ((The board shall perform all the powers and duties specified in this chapter or as otherwise provided by law.))

**Sec. 8 was vetoed. See message at end of chapter.*

NEW SECTION. **Sec. 9.** On or before November 1, 2018, and in compliance with RCW 43.01.036, the board must provide the governor and the appropriate committees of the legislature with a detailed report on the following:

- (1) The current number of pending appeals, categorized by the year in which each such appeal was filed;
- (2) The number of appeals closed, since the effective date of this section, categorized by the year in which each such appeal was filed;
- (3) The number of appeals filed since the effective date of this section; and
- (4) A detailed plan, to be executed by the board, to address pending appeals.

Sec. 10. RCW 82.03.100 and 1967 ex.s. c 26 s 39 are each amended to read as follows:

The board (~~((shall))~~) must make findings of fact and prepare a written decision in each case decided by it, and such findings and decision (~~((shall be))~~) are effective upon being signed by two or more members of the board and upon being filed at the board's principal office, and (~~((shall be))~~) are open to public inspection at all reasonable times.

**Sec. 11. RCW 82.03.110 and 1967 ex.s. c 26 s 40 are each amended to read as follows:*

~~The board ((shall either publish at its expense or make arrangements with a publishing firm for the publication of those of its findings and decisions which are of general public interest)) must publish those of its orders and decisions issued after the effective date of this section which are of precedential value, in such form as to assure ((reasonable distribution thereof)) such decisions are available for online research, including through a publicly available web site. The board may, in addition, identify, publish, and make available online orders and decisions issued prior to the effective date of this section that are of precedential value.~~

**Sec. 11 was vetoed. See message at end of chapter.*

Sec. 12. RCW 82.03.120 and 1988 c 222 s 3 are each amended to read as follows:

The board (~~((shall))~~) must maintain at its principal office a copy (~~((of its final findings and decisions. The findings and decisions shall be available for public inspection at the principal office of the board at all reasonable times))~~), electronic or otherwise, of all final orders and decisions until transferred to the state archives in accordance with state agency retention policies and chapter 40.14 RCW. The orders and decisions maintained at the principal office of the board must be available for public inspection at all reasonable times; however, this provision may be satisfied by making the orders and decisions available via a publicly available web site.

Sec. 13. RCW 82.03.140 and 2000 c 103 s 1 are each amended to read as follows:

~~((In all appeals over which the board has jurisdiction under RCW 82.03.130, a party taking an appeal may elect either a formal or an informal hearing, such election to be made according to rules of practice and procedure to be promulgated by the board:)) (1) A party filing an appeal with the board must elect either a formal or an informal proceeding, according to rules of practice and procedure adopted by the board. If no such election is made, the appeal must be treated as an election for an informal proceeding: PROVIDED, That nothing~~

~~((shall))~~ prevents the assessor or taxpayer, as a party to an appeal pursuant to RCW 84.08.130, within twenty days from the date of the receipt of the notice of appeal, from filing with the clerk of the board notice of intention that the hearing be a formal one: PROVIDED, HOWEVER, That nothing herein ~~((shall))~~ may be construed to modify the provisions of RCW 82.03.190: AND PROVIDED FURTHER, That upon an appeal under RCW 82.03.130(1)(e), the director of revenue may, within ten days from the date of its receipt of the notice of appeal, file with the clerk of the board notice of its intention that the hearing be held pursuant to chapter 34.05 RCW.

(2) A responding party may file a cross appeal. In the event that appeals are taken ((from the same decision, order, or determination, as the case may be, by different parties and only one of such parties elects a formal hearing, a formal hearing shall be granted)) by different parties from the same decision, order, or determination, and only one party elects a formal proceeding, the appeal must be conducted as a formal proceeding.

Sec. 14. RCW 82.03.150 and 2000 c 103 s 2 are each amended to read as follows:

In all appeals involving an informal hearing before the board or any of its members or tax referees, the board ~~((or its))~~, any member of the board, and the board's tax referees ~~((shall))~~ have all powers relating to administration of oaths, issuance of subpoenas, and taking of depositions as are granted to agencies by chapter 34.05 RCW. The board, ~~((or its))~~ any member of the board, and the board's tax referees ~~((shall))~~ also have all powers granted the department of revenue pursuant to RCW 82.32.110. In the case of appeals within the scope of RCW 82.03.130(1)(b) the board or any member thereof may obtain such assistance, including the making of field investigations, from the staff of the director of revenue as the board or any member thereof may deem necessary or appropriate.

Sec. 15. RCW 82.03.160 and 2000 c 103 s 3 are each amended to read as follows:

In all appeals involving a formal hearing before the board or any of its members or tax referees, the board ~~((or its))~~, any member of the board, and the board's tax referees ~~((shall))~~ have all powers relating to administration of oaths, issuance of subpoenas, and taking of depositions as are granted to agencies in chapter 34.05 RCW; and the board, and each member thereof, or its tax referees, ~~((shall be))~~ are subject to all duties imposed upon, and ~~((shall))~~ have all powers granted to, an agency by those provisions of chapter 34.05 RCW relating to adjudicative proceedings. The board, ~~((or its))~~ any member of the board, and the board's tax referees ~~((shall))~~ also have all powers granted the department of revenue pursuant to RCW 82.32.110. In the case of appeals within the scope of RCW 82.03.130(1)(b), the board, or any member thereof, may obtain such assistance, including the making of field investigations, from the staff of the director of revenue as the board, or any member thereof, may deem necessary or appropriate: PROVIDED, HOWEVER, That any communication, oral or written, from the staff of the director to the board or its tax referees ~~((shall))~~ may be presented only in open hearing.

Sec. 16. RCW 82.03.170 and 1988 c 222 s 7 are each amended to read as follows:

All proceedings, including both formal and informal hearings, before the board or any of its members or tax referees (~~(shall)~~) must be conducted in accordance with such rules of practice and procedure as the board may prescribe. The board (~~(shall)~~) must publish such rules and arrange for (~~(the reasonable distribution thereof)~~) public access to the rules, including through a publicly available web site.

***NEW SECTION.** *Sec. 17. A new section is added to chapter 82.03 RCW to read as follows:*

(1) The board may require parties to attend a mandatory settlement conference at any time before or after the appeal has been heard.

(2)(a) The board must provide an informal voluntary and confidential mediation process. The purpose of the mediation is to help the parties reach an agreement that settles the dispute. The board must adopt rules for the conduct of mediation, including appropriate fees, consistent with the purpose of the mediation.

(b) Any person appointed as a neutral mediator must have substantial experience in Washington tax law or in residential and commercial property appraisals. The mediator's role is to assist the parties to work together to reach a mutually agreeable dispute resolution. The mediator will not issue a decision in the matter. An agreement reached by the parties during the mediation must be memorialized in writing and signed by the parties before the board may enter an order closing the appeal.

(c) All mediation discussions, statements of parties, and materials provided as part of the mediation are confidential, must be destroyed or returned to the parties after mediation is complete, and may not be used for any other purpose or in any other proceeding.

**Sec. 17 was vetoed. See message at end of chapter.*

***NEW SECTION.** *Sec. 18. A new section is added to chapter 82.03 RCW to read as follows:*

(1)(a) Except as otherwise specifically provided by statute, the board:

(i) Must award a qualified party that prevails in a formal hearing from a department of revenue action fees and other expenses, including reasonable attorneys' fees, unless the board finds that the department of revenue's action was substantially justified or that circumstances make an award unjust;

(ii) May award a qualified party that prevails in a formal hearing from a board of equalization action fees and other expenses, including reasonable attorneys' fees, unless the board finds that the board of equalization's action was substantially justified or that circumstances make an award unjust.

(b) A qualified party shall be considered to have prevailed if the qualified party obtained relief on a significant issue that achieves some benefit that the qualified party sought.

(2) The amount awarded a qualified party under subsection (1) of this section shall not exceed twenty-five thousand dollars. The board, in its discretion, may reduce the amount to be awarded pursuant to subsection (1) of this section, or deny any award, to the extent that a qualified party during the course of the proceedings engaged in conduct that unduly or unreasonably protracted the final resolution of the matter in controversy.

(3) Fees and other expenses awarded under this section must be paid by the board over which the party prevails from operating funds appropriated to

the agency within sixty days. The board shall report all payments to the office of financial management within five days of paying the fees and other expenses. Fees and other expenses awarded by the board shall be subject to the provisions of chapter 39.76 RCW and shall be deemed payable on the date the board announces the award.

(4) The following definitions apply to this section unless the context clearly indicates otherwise.

(a) "Fees and other expenses" includes the reasonable expenses of expert witnesses, the reasonable cost of a study, analysis, engineering report, test, or project that is found by the court to be necessary for the preparation of the party's case, and reasonable attorneys' fees. Reasonable attorneys' fees shall be based on the prevailing market rates for the kind and quality of services furnished, except that (i) no expert witness shall be compensated at a rate in excess of the highest rates of compensation for expert witnesses paid by the state of Washington, and (ii) attorneys' fees shall not be awarded in excess of one hundred fifty dollars per hour unless the court determines that an increase in the cost of living or a special factor, such as the limited availability of qualified attorneys for the proceedings involved, justifies a higher fee.

(b) "Qualified party" means (i) an individual whose net worth did not exceed one million dollars at the time the initial appeal petition was filed or (ii) a sole owner of an unincorporated business, or a partnership, corporation, association, or organization whose net worth did not exceed five million dollars at the time the initial appeal petition was filed, except that an organization described in section 501(c)(3) of the federal internal revenue code of 1954 as exempt from taxation under section 501(a) of the code and a cooperative association as defined in section 15(a) of the agricultural marketing act (12 U.S.C. 1141J(a)), may be a party regardless of the net worth of such organization or cooperative association.

**Sec. 18 was vetoed. See message at end of chapter.*

Passed by the House March 6, 2018.

Passed by the Senate March 2, 2018.

Approved by the Governor March 22, 2018, with the exception of certain items that were vetoed.

Filed in Office of Secretary of State March 26, 2018.

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

"I am returning herewith, without my approval as to Sections 6, 8, 11, 17, and 18, Engrossed House Bill No. 2777 entitled:

"AN ACT Relating to improving and updating administrative provisions related to the board of tax appeals."

Section 6 mandates the number of tax referees the Board must maintain. I have concerns that mandating the Board to hire a specific number of staff could change the Board's ability to be flexible with future budgetary decisions needed to reduce the backlog.

Section 8 requires the Board to hold regular meetings on both sides of the Cascade. Although I agree with providing this access, we must continue to work towards using technology to find other ways of convening and providing access to all citizens.

Section 11 requires the Department of Revenue to adhere to precedential rulings by the Board of Tax Appeals, but does not differentiate between formal and informal proceedings. This leaves open the

possibility for precedential rulings handed down by the Board of Tax Appeals that are exempt from appeals.

Section 17 mandates settlement conferences and providing a mediation process. I have concerns with the practical application of requiring attendance at a settlement conference. The Board of Tax Appeals is able to offer voluntary mediation services, per stakeholder demands, without requiring legislation.

Section 18 requires the Board to award attorney's fees and costs. Typically, the authority to grant attorney's fees and costs is limited to courts and not given to one executive agency with respect to another. There also appears to be an unintended drafting error that would require local boards of equalization to pay attorney's fees and expenses rather than the county assessor which is party to the action.

Finally, the Department of Revenue and Office of the Attorney General will have a fiscal impact of \$1.2 million in fiscal year 2019 and \$2.2 million in the 2019-21 biennium. Both agencies did not receive the funding needed to fulfill the duties of this bill in the 2018 Supplemental Budget.

For these reasons I have vetoed Sections 6, 8, 11, 17, and 18 of Engrossed House Bill No. 2777.

With the exception of Sections 6, 8, 11, 17, and 18, Engrossed House Bill No. 2777 is approved."

CHAPTER 175

[Engrossed Second Substitute House Bill 2779]

MENTAL HEALTH--YOUTH AND CHILDREN

AN ACT Relating to improving access to mental health services for children and youth; amending RCW 74.09.495, 71.24.385, 71.24.045, and 28A.630.500; adding new sections to chapter 74.09 RCW; creating new sections; providing an effective date; and providing expiration dates.

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

NEW SECTION. Sec. 1. The legislature finds that the children's mental health work group established in chapter 96, Laws of 2016 reported recommendations in December 2016 related to increasing access to adequate, appropriate, and culturally and linguistically relevant mental health services for children and youth. The legislature further finds that legislation implementing many of the recommendations of the children's mental health work group was enacted in 2017. Despite these gains, barriers to service remain and additional work is required to assist children with securing adequate mental health treatment. The legislature further finds that by January 1, 2020, the community behavioral health program must be fully integrated in a managed care health system that provides behavioral and physical health care services to medicaid clients. Therefore, it is the intent of the legislature to reestablish the children's mental health work group through December 2020 and to implement additional recommendations from the work group in order to improve mental health care access for children and their families.

NEW SECTION. Sec. 2. (1) A children's mental health work group is established to identify barriers to and opportunities for accessing mental health services for children and families and to advise the legislature on statewide mental health services for this population.

(2) The work group shall consist of members and alternates as provided in this subsection. Members must represent the regional, racial, and cultural diversity of all children and families in the state. Members of the children's mental health work group created in chapter 96, Laws of 2016, and serving on

the work group as of December 1, 2017, may continue to serve as members of the work group without reappointment.

(a) The president of the senate shall appoint one member and one alternate from each of the two largest caucuses in the senate.

(b) The speaker of the house of representatives shall appoint one member and one alternate from each of the two largest caucuses in the house of representatives.

(c) The governor shall appoint six members representing the following state agencies and offices: The department of children, youth, and families; the department of social and health services; the health care authority; the department of health; the office of homeless youth prevention and protection programs; and the office of the governor.

(d) The governor shall appoint one member representing each of the following:

- (i) Behavioral health organizations;
- (ii) Community mental health agencies;
- (iii) Medicaid managed care organizations;
- (iv) A regional provider of co-occurring disorder services;
- (v) Pediatricians or primary care providers;
- (vi) Providers specializing in infant or early childhood mental health;
- (vii) Child health advocacy groups;
- (viii) Early learning and child care providers;
- (ix) The evidence-based practice institute;
- (x) Parents or caregivers who have been the recipient of early childhood

mental health services;

(xi) An education or teaching institution that provides training for mental health professionals;

(xii) Foster parents;

(xiii) Providers of culturally and linguistically appropriate health services to traditionally underserved communities;

(xiv) Pediatricians located east of the crest of the Cascade mountains; and

(xv) Child psychiatrists.

(e) The governor shall request participation by a representative of tribal governments.

(f) The superintendent of public instruction shall appoint one representative from the office of the superintendent of public instruction.

(g) The insurance commissioner shall appoint one representative from the office of the insurance commissioner.

(h) The work group shall choose its cochairs, one from among its legislative members and one from among the executive branch members. The representative from the health care authority shall convene at least two, but not more than four, meetings of the work group each year.

(3) The work group shall:

(a) Monitor the implementation of enacted legislation, programs, and policies related to children's mental health, including provider payment for depression screenings for youth and new mothers, consultation services for child care providers caring for children with symptoms of trauma, home visiting services, and streamlining agency rules for providers of behavioral health services;

(b) Consider system strategies to improve coordination and remove barriers between the early learning, K-12 education, and health care systems; and

(c) Identify opportunities to remove barriers to treatment and strengthen mental health service delivery for children and youth.

(4) Staff support for the work group, including administration of work group meetings and preparation of the updated report required under subsection (6) of this section, must be provided by the health care authority. Additional staff support for legislative members of the work group may be provided by senate committee services and the house of representatives office of program research.

(5) Legislative members of the work group are reimbursed for travel expenses in accordance with RCW 44.04.120. Nonlegislative members are not entitled to be reimbursed for travel expenses if they are elected officials or are participating on behalf of an employer, governmental entity, or other organization. Any reimbursement for other nonlegislative members is subject to chapter 43.03 RCW.

(6) The work group shall update the findings and recommendations reported to the legislature by the children's mental health work group in December 2016 pursuant to chapter 96, Laws of 2016. The work group must submit the updated report to the governor and the appropriate committees of the legislature by December 1, 2020.

(7) This section expires December 30, 2020.

Sec. 3. RCW 74.09.495 and 2017 c 226 s 6 are each amended to read as follows:

(1) To better assure and understand issues related to network adequacy and access to services, the authority and the department shall report to the appropriate committees of the legislature by December 1, 2017, and annually thereafter, on the status of access to behavioral health services for children birth through age seventeen using data collected pursuant to RCW 70.320.050.

~~((+))~~ (2) At a minimum, the report must include the following components broken down by age, gender, and race and ethnicity:

(a) The percentage of discharges for patients ages six through seventeen who had a visit to the emergency room with a primary diagnosis of mental health or alcohol or other drug dependence during the measuring year and who had a follow-up visit with any provider with a corresponding primary diagnosis of mental health or alcohol or other drug dependence within thirty days of discharge;

(b) The percentage of health plan members with an identified mental health need who received mental health services during the reporting period; ~~((and))~~

(c) The percentage of children served by behavioral health organizations, including the types of services provided~~((:));~~

~~(((2) The report must also include))~~ (d) The number of children's mental health providers available in the previous year, the languages spoken by those providers, and the overall percentage of children's mental health providers who were actively accepting new patients; and

(e) Data related to mental health and medical services for eating disorder treatment in children and youth by county, including the number of:

(i) Eating disorder diagnoses;

(ii) Patients treated in outpatient, residential, emergency, and inpatient care settings; and

(iii) Contracted providers specializing in eating disorder treatment and the overall percentage of those providers who were actively accepting new patients during the reporting period.

NEW SECTION. Sec. 4. A new section is added to chapter 74.09 RCW to read as follows:

(1) The authority shall collaborate with the department of children, youth, and families to identify opportunities to leverage medicaid funding for home visiting services.

(2) The authority must provide a set of recommendations relevant to subsection (1) of this section to the legislature by December 1, 2018, that builds upon the research and strategies developed in the Washington state home visiting and medicaid financing strategies report submitted by the authority to the department of early learning in August 2017.

NEW SECTION. Sec. 5. (1) By November 1, 2018, the department of children, youth, and families must:

(a) Develop a common set of definitions to clarify differences between evidence-based, research-based, and promising practices home visiting programs and discrete services provided in the home;

(b) Develop a strategy to expand home visiting programs statewide; and

(c) Collaborate with the health care authority to maximize medicaid and other federal resources in implementing current home visiting programs and the statewide strategy developed under this section.

(2) This section expires December 30, 2018.

Sec. 6. RCW 71.24.385 and 2016 sp.s. c 29 s 510 are each amended 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:

(a) With mental disorders residing within the boundaries of their regional service area. Elements of the program may include:

(i) Crisis diversion services;

(ii) Evaluation and treatment and community hospital beds;

(iii) Residential treatment;

(iv) Programs for intensive community treatment;

(v) Outpatient services, including family support;

(vi) Peer support services;

(vii) Community support services;

(viii) Resource management services; and

(ix) Supported housing and supported employment services.

(b) With substance use disorders and their families, people incapacitated by alcohol or other psychoactive chemicals, and intoxicated people.

(i) Elements of the program shall include, but not necessarily be limited to, a continuum of substance use disorder treatment services that includes:

(A) Withdrawal management;

(B) Residential treatment; and

(C) Outpatient treatment.

(ii) The program may include peer support, supported housing, supported employment, crisis diversion, or recovery support services.

(iii) The department may contract for the use of an approved substance use disorder treatment program or other individual or organization if the secretary considers this to be an effective and economical course to follow.

(2)(a) 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 behavioral health 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.

(b) The behavioral health organization may allow reimbursement to providers for services delivered through a partial hospitalization or intensive outpatient program. Such payment and services are distinct from the state's delivery of wraparound with intensive services under the *T.R. v. Strange and McDermott*, formerly the *T.R. v. Dreyfus and Porter*, settlement agreement.

(3)(a) Treatment provided under this chapter must be purchased primarily through managed care contracts.

(b) Consistent with RCW 71.24.580, services and funding provided through the criminal justice treatment account are intended to be exempted from managed care contracting.

Sec. 7. RCW 71.24.045 and 2016 sp.s. c 29 s 421 are each amended to read as follows:

The behavioral health organization shall:

(1) Contract as needed with licensed service providers. The 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 behavioral health organization shall comply with rules promulgated by the secretary that shall provide measurements to determine when a 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 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 reenrollment of eligible persons leaving state or local correctional facilities and institutions for mental diseases;

(9) Work closely with the 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; and

(11) Allow reimbursement for time spent supervising persons working toward satisfying supervision requirements established for the relevant practice areas pursuant to RCW 18.225.090.

NEW SECTION. Sec. 8. A new section is added to chapter 74.09 RCW to read as follows:

Upon adoption of a fully integrated managed health care system pursuant to chapter 71.24 RCW, regional service areas:

(1) Must allow reimbursement for time spent supervising persons working toward satisfying supervision requirements established for the relevant practice areas pursuant to RCW 18.225.090; and

(2) may allow reimbursement for services delivered through a partial hospitalization or intensive outpatient program as described in RCW 71.24.385.

NEW SECTION. Sec. 9. (1) The department of social and health services must convene an advisory group of stakeholders to review the parent-initiated treatment process authorized by chapter 71.34 RCW. The advisory group must develop recommendations regarding:

(a) The age of consent for the behavioral health treatment of a minor;

(b) Options for parental involvement in youth treatment decisions;

(c) Information communicated to families and providers about the parent-initiated treatment process; and

(d) The definition of medical necessity for emergency mental health services and options for parental involvement in those determinations.

(2) The advisory group established in this section must review the effectiveness of serving commercially sexually exploited children using parent-initiated treatment, involuntary treatment, or other treatment services delivered pursuant to chapter 71.34 RCW.

(3) By December 1, 2018, the department of social and health services must report the findings and recommendations of the advisory group to the children's mental health work group established in section 2 of this act.

(4) This section expires December 30, 2018.

Sec. 10. RCW 28A.630.500 and 2017 c 202 s 6 are each amended to read as follows:

(1) Subject to the availability of amounts appropriated for this specific purpose, the office of the superintendent of public instruction shall establish a competitive application process to designate two educational service districts in which to pilot one lead staff person for children's mental health and substance use disorder services.

(2) The office must select two educational service districts as pilot sites by October 1, 2017. When selecting the pilot sites, the office must endeavor to achieve a balanced geographic distribution of sites east of the crest of the Cascade mountains and west of the crest of the Cascade mountains.

(3) The lead staff person for each pilot site must have the primary responsibility for:

(a) Coordinating medicaid billing for schools and school districts in the educational service district;

(b) Facilitating partnerships with community mental health agencies, providers of substance use disorder treatment, and other providers;

(c) Sharing service models;

(d) Seeking public and private grant funding;

(e) Ensuring the adequacy of other system level supports for students with mental health and substance use disorder treatment needs; ~~((and))~~

(f) Collaborating with the other selected project and with the office of the superintendent of public instruction; and

(g) Delivering a mental health literacy curriculum, mental health literacy curriculum resource, or comprehensive instruction to students in one high school in each pilot site that:

(i) Improves mental health literacy in students;

(ii) Is designed to support teachers; and

(iii) Aligns with the state health and physical education K-12 learning standards as they existed on January 1, 2018.

(4) The office of the superintendent of public instruction must report on the results of the two pilot projects to the governor and the appropriate committees of the legislature in accordance with RCW 43.01.036 by December 1, 2019. The report must also include:

(a) A case study of an educational service district that is successfully delivering and coordinating children's mental health activities and services. Activities and services may include but are not limited to medicaid billing, facilitating partnerships with community mental health agencies, and seeking and securing public and private funding; and

(b) Recommendations regarding whether to continue or make permanent the pilot projects and how the projects might be replicated in other educational service districts.

(5) This section expires January 1, 2020.

NEW SECTION. Sec. 11. Subject to the availability of amounts appropriated for this specific purpose, the child and adolescent psychiatry residency program at the University of Washington shall offer one additional twenty-four month residency position that is approved by the accreditation council for graduate medical education to one resident specializing in child and adolescent psychiatry. The residency must include a minimum of twelve months of training in settings where children's mental health services are provided under the supervision of experienced psychiatric consultants and must be located west of the crest of the Cascade mountains.

NEW SECTION. Sec. 12. Section 11 of this act takes effect July 1, 2020.

Passed by the House March 5, 2018.

Passed by the Senate March 1, 2018.

Approved by the Governor March 22, 2018.
Filed in Office of Secretary of State March 26, 2018.

CHAPTER 176

[Substitute House Bill 2822]

SERVICE ANIMALS--MISREPRESENTATION

AN ACT Relating to the definition and misrepresentation of service animals; amending RCW 49.60.215 and 7.80.120; reenacting and amending RCW 49.60.040; adding a new section to chapter 49.60 RCW; creating a new section; repealing RCW 49.60.218; prescribing penalties; and providing an effective date.

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

NEW SECTION. Sec. 1. The legislature declares that service animals that are properly trained to assist persons with disabilities play a vital role in establishing independence for such persons. There are an increasing number of occurrences where people intentionally or mistakenly represent their pet, therapy animal, or emotional support animal to be a service animal and attempt to bring the animal into a place that it would otherwise not be allowed to enter. Federal and state laws require places of public accommodation, including food establishments, to allow an animal that is presented as a service animal into a place of public accommodation; these same places of public accommodation face a dilemma when someone enters the premises and intentionally misrepresents his or her animal as a service animal. The legislature finds that the misrepresentation of an animal as a service animal trained to perform specific work or tasks constitutes a disservice both to persons who rely on the use of legitimate service animals, as well as places of public accommodation and their patrons. The purpose of this act is to penalize the intentional misrepresentation of a service animal, which delegitimizes the genuine need for the use of service animals and makes it harder for persons with disabilities to gain unquestioned acceptance of their legitimate, properly trained, and essential service animals.

Sec. 2. RCW 49.60.040 and 2009 c 187 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) "Aggrieved person" means any person who: (a) Claims to have been injured by an unfair practice in a real estate transaction; or (b) believes that he or she will be injured by an unfair practice in a real estate transaction that is about to occur.

(2) "Any place of public resort, accommodation, assemblage, or amusement" includes, but is not limited to, any place, licensed or unlicensed, kept for gain, hire, or reward, or where charges are made for admission, service, occupancy, or use of any property or facilities, whether conducted for the entertainment, housing, or lodging of transient guests, or for the benefit, use, or accommodation of those seeking health, recreation, or rest, or for the burial or other disposition of human remains, or for the sale of goods, merchandise, services, or personal property, or for the rendering of personal services, or for public conveyance or transportation on land, water, or in the air, including the stations and terminals thereof and the garaging of vehicles, or where food or beverages of any kind are sold for consumption on the premises, or where public

amusement, entertainment, sports, or recreation of any kind is offered with or without charge, or where medical service or care is made available, or where the public gathers, congregates, or assembles for amusement, recreation, or public purposes, or public halls, public elevators, and public washrooms of buildings and structures occupied by two or more tenants, or by the owner and one or more tenants, or any public library or educational institution, or schools of special instruction, or nursery schools, or day care centers or children's camps: PROVIDED, That nothing contained in this definition shall be construed to include or apply to any institute, bona fide club, or place of accommodation, which is by its nature distinctly private, including fraternal organizations, though where public use is permitted that use shall be covered by this chapter; nor shall anything contained in this definition apply to any educational facility, columbarium, crematory, mausoleum, or cemetery operated or maintained by a bona fide religious or sectarian institution.

(3) "Commission" means the Washington state human rights commission.

(4) "Complainant" means the person who files a complaint in a real estate transaction.

(5) "Covered multifamily dwelling" means: (a) Buildings consisting of four or more dwelling units if such buildings have one or more elevators; and (b) ground floor dwelling units in other buildings consisting of four or more dwelling units.

(6) "Credit transaction" includes any open or closed end credit transaction, whether in the nature of a loan, retail installment transaction, credit card issue or charge, or otherwise, and whether for personal or for business purposes, in which a service, finance, or interest charge is imposed, or which provides for repayment in scheduled payments, when such credit is extended in the regular course of any trade or commerce, including but not limited to transactions by banks, savings and loan associations or other financial lending institutions of whatever nature, stock brokers, or by a merchant or mercantile establishment which as part of its ordinary business permits or provides that payment for purchases of property or service therefrom may be deferred.

(7)(a) "Disability" means the presence of a sensory, mental, or physical impairment that:

(i) Is medically cognizable or diagnosable; or

(ii) Exists as a record or history; or

(iii) Is perceived to exist whether or not it exists in fact.

(b) A disability exists whether it is temporary or permanent, common or uncommon, mitigated or unmitigated, or whether or not it limits the ability to work generally or work at a particular job or whether or not it limits any other activity within the scope of this chapter.

(c) For purposes of this definition, "impairment" includes, but is not limited to:

(i) Any physiological disorder, or condition, cosmetic disfigurement, or anatomical loss affecting one or more of the following body systems: Neurological, musculoskeletal, special sense organs, respiratory, including speech organs, cardiovascular, reproductive, digestive, genitor-urinary, hemic and lymphatic, skin, and endocrine; or

(ii) Any mental, developmental, traumatic, or psychological disorder, including but not limited to cognitive limitation, organic brain syndrome, emotional or mental illness, and specific learning disabilities.

(d) Only for the purposes of qualifying for reasonable accommodation in employment, an impairment must be known or shown through an interactive process to exist in fact and:

(i) The impairment must have a substantially limiting effect upon the individual's ability to perform his or her job, the individual's ability to apply or be considered for a job, or the individual's access to equal benefits, privileges, or terms or conditions of employment; or

(ii) The employee must have put the employer on notice of the existence of an impairment, and medical documentation must establish a reasonable likelihood that engaging in job functions without an accommodation would aggravate the impairment to the extent that it would create a substantially limiting effect.

(e) For purposes of (d) of this subsection, a limitation is not substantial if it has only a trivial effect.

(8) "Dog guide" means a dog that is trained for the purpose of guiding blind persons or a dog that is trained for the purpose of assisting hearing impaired persons.

(9) "Dwelling" means any building, structure, or portion thereof that is occupied as, or designed or intended for occupancy as, a residence by one or more families, and any vacant land that is offered for sale or lease for the construction or location thereon of any such building, structure, or portion thereof.

(10) "Employee" does not include any individual employed by his or her parents, spouse, or child, or in the domestic service of any person.

(11) "Employer" includes any person acting in the interest of an employer, directly or indirectly, who employs eight or more persons, and does not include any religious or sectarian organization not organized for private profit.

(12) "Employment agency" includes any person undertaking with or without compensation to recruit, procure, refer, or place employees for an employer.

(13) "Families with children status" means one or more individuals who have not attained the age of eighteen years being domiciled with a parent or another person having legal custody of such individual or individuals, or with the designee of such parent or other person having such legal custody, with the written permission of such parent or other person. Families with children status also applies to any person who is pregnant or is in the process of securing legal custody of any individual who has not attained the age of eighteen years.

(14) "Full enjoyment of" includes the right to purchase any service, commodity, or article of personal property offered or sold on, or by, any establishment to the public, and the admission of any person to accommodations, advantages, facilities, or privileges of any place of public resort, accommodation, assemblage, or amusement, without acts directly or indirectly causing persons of any particular race, creed, color, sex, sexual orientation, national origin, or with any sensory, mental, or physical disability, or the use of a trained dog guide or service animal by a person with a disability, to be treated as not welcome, accepted, desired, or solicited.

(15) "Honorably discharged veteran or military status" means a person who is:

(a) A veteran, as defined in RCW 41.04.007; or

(b) 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.

(16) "Labor organization" includes any organization which exists for the purpose, in whole or in part, of dealing with employers concerning grievances or terms or conditions of employment, or for other mutual aid or protection in connection with employment.

(17) "Marital status" means the legal status of being married, single, separated, divorced, or widowed.

(18) "National origin" includes "ancestry."

(19) "Person" includes one or more individuals, partnerships, associations, organizations, corporations, cooperatives, legal representatives, trustees and receivers, or any group of persons; it includes any owner, lessee, proprietor, manager, agent, or employee, whether one or more natural persons; and further includes any political or civil subdivisions of the state and any agency or instrumentality of the state or of any political or civil subdivision thereof.

(20) "Premises" means the interior or exterior spaces, parts, components, or elements of a building, including individual dwelling units and the public and common use areas of a building.

(21) "Real estate transaction" includes the sale, appraisal, brokering, exchange, purchase, rental, or lease of real property, transacting or applying for a real estate loan, or the provision of brokerage services.

(22) "Real property" includes buildings, structures, dwellings, real estate, lands, tenements, leaseholds, interests in real estate cooperatives, condominiums, and hereditaments, corporeal and incorporeal, or any interest therein.

(23) "Respondent" means any person accused in a complaint or amended complaint of an unfair practice in a real estate transaction.

(24) "Service animal" means ~~((an animal))~~ any dog or miniature horse, as discussed in section 4 of this act, that is individually trained ((for the purpose of assisting or accommodating a sensory, mental, or physical disability of a person with a disability)) to do work or perform tasks for the benefit of an individual with a disability, including a physical, sensory, psychiatric, intellectual, or other mental disability. The work or tasks performed by the service animal must be directly related to the individual's disability. Examples of work or tasks include, but are not limited to, assisting individuals who are blind or have low vision with navigation and other tasks, alerting individuals who are deaf or hard of hearing to the presence of people or sounds, providing nonviolent protection or rescue work, pulling a wheelchair, assisting an individual during a seizure, alerting individuals to the presence of allergens, retrieving items such as medicine or the telephone, providing physical support and assistance with balance and stability to individuals with mobility disabilities, and helping persons with psychiatric and neurological disabilities by preventing or interrupting impulsive or destructive behaviors. The crime deterrent effects of an animal's presence and the provision of emotional support, well-being, comfort, or companionship do not constitute work or tasks. This subsection does not apply to RCW 49.60.222

through 49.60.227 with respect to housing accommodations or real estate transactions.

(25) "Sex" means gender.

(26) "Sexual orientation" means heterosexuality, homosexuality, bisexuality, and gender expression or identity. As used in this definition, "gender expression or identity" means having or being perceived as having a gender identity, self-image, appearance, behavior, or expression, whether or not that gender identity, self-image, appearance, behavior, or expression is different from that traditionally associated with the sex assigned to that person at birth.

Sec. 3. RCW 49.60.215 and 2011 c 237 s 1 are each amended to read as follows:

~~((+))~~ It shall be an unfair practice for any person or the person's agent or employee to commit an act which directly or indirectly results in any distinction, restriction, or discrimination, or the requiring of any person to pay a larger sum than the uniform rates charged other persons, or the refusing or withholding from any person the admission, patronage, custom, presence, frequenting, dwelling, staying, or lodging in any place of public resort, accommodation, assemblage, or amusement, except for conditions and limitations established by law and applicable to all persons, regardless of race, creed, color, national origin, sexual orientation, sex, honorably discharged veteran or military status, status as a mother breastfeeding her child, the presence of any sensory, mental, or physical disability, or the use of a trained dog guide or service animal by a person with a disability: PROVIDED, That this section shall not be construed to require structural changes, modifications, or additions to make any place accessible to a person with a disability except as otherwise required by law: PROVIDED, That behavior or actions constituting a risk to property or other persons can be grounds for refusal and shall not constitute an unfair practice.

~~((2) This section does not apply to food establishments, as defined in RCW 49.60.218, with respect to the use of a trained dog guide or service animal by a person with a disability. Food establishments are subject to RCW 49.60.218 with respect to trained dog guides and service animals.))~~

NEW SECTION. Sec. 4. A new section is added to chapter 49.60 RCW to read as follows:

(1) It shall be a civil infraction under chapter 7.80 RCW for any person to misrepresent an animal as a service animal. A violation of this section occurs when a person:

(a) Expressly or impliedly represents that an animal is a service animal as defined in RCW 49.60.040 for the purpose of securing the rights or privileges afforded disabled persons accompanied by service animals set forth in state or federal law; and

(b) Knew or should have known that the animal in question did not meet the definition of a service animal.

(2)(a) An enforcement officer as defined under RCW 7.80.040 may investigate and enforce this section by making an inquiry of the person accompanied by the animal in question and issuing a civil infraction. Refusal to answer the questions allowable under (b) of this subsection shall create a presumption that the animal is not a service animal and the enforcement officer

may issue a civil infraction and require the person to remove the animal from the place of public accommodation.

(b) An enforcement officer or place of public accommodation shall not ask about the nature or extent of a person's disability, but may make two inquiries to determine whether an animal qualifies as a service animal. An enforcement officer or place of public accommodation may ask if the animal is required because of a disability and what work or task the animal has been trained to perform. An enforcement officer or place of public accommodation shall not require documentation, such as proof that the animal has been certified, trained, or licensed as a service animal, or require that the service animal demonstrate its task. Generally, an enforcement officer or place of public accommodation may not make these inquiries about a service animal when it is readily apparent that an animal is trained to do work or perform tasks for a person with a disability, such as a dog is observed guiding a person who is blind or has low vision, pulling a person's wheelchair, or providing assistance with stability or balance to a person with an observable mobility disability.

(3) A place of public accommodation shall make reasonable modifications in policies, practices, or procedures to permit the use of a miniature horse by an individual with a disability in accordance with RCW 49.60.040(24) if the miniature horse has been individually trained to do work or perform tasks for the benefit of the individual with a disability. In determining whether reasonable modifications in policies, practices, or procedures can be made to allow a miniature horse into a facility, a place of public accommodation shall act in accordance with all applicable laws and regulations.

Sec. 5. RCW 7.80.120 and 2013 c 278 s 3 are each amended to read as follows:

(1) A person found to have committed a civil infraction shall be assessed a monetary penalty.

(a) The maximum penalty and the default amount for a class 1 civil infraction shall be two hundred fifty dollars, not including statutory assessments, except for an infraction of state law involving (i) potentially dangerous litter as specified in RCW 70.93.060(4) or violent video or computer games under RCW 9.91.180, in which case the maximum penalty and default amount is five hundred dollars; or (ii) a person's refusal to submit to a test or tests pursuant to RCW 79A.60.040 and 79A.60.700, in which case the maximum penalty and default amount is one thousand dollars; or (iii) the misrepresentation of service animals under section 4 of this act, in which case the maximum penalty and default amount is five hundred dollars;

(b) The maximum penalty and the default amount for a class 2 civil infraction shall be one hundred twenty-five dollars, not including statutory assessments;

(c) The maximum penalty and the default amount for a class 3 civil infraction shall be fifty dollars, not including statutory assessments; and

(d) The maximum penalty and the default amount for a class 4 civil infraction shall be twenty-five dollars, not including statutory assessments.

(2) The supreme court shall prescribe by rule the conditions under which local courts may exercise discretion in assessing fines for civil infractions.

(3) Whenever a monetary penalty is imposed by a court under this chapter it is immediately payable. If the person is unable to pay at that time the court may

grant an extension of the period in which the penalty may be paid. If the penalty is not paid on or before the time established for payment, the court may proceed to collect the penalty in the same manner as other civil judgments and may notify the prosecuting authority of the failure to pay.

(4) The court may also order a person found to have committed a civil infraction to make restitution.

NEW SECTION. Sec. 6. RCW 49.60.218 (Use of dog guide or service animal—Unfair practice—Definitions) and 2011 c 237 s 2 are each repealed.

NEW SECTION. Sec. 7. This act takes effect January 1, 2019.

Passed by the House February 8, 2018.

Passed by the Senate March 2, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 177

[Substitute House Bill 2824]

SUPERINTENDENT OF PUBLIC INSTRUCTION AND STATE BOARD OF EDUCATION

AN ACT Relating to the exchange and alignment of specific powers, duties, and functions of the superintendent of public instruction and the state board of education; amending RCW 28A.310.020, 28A.195.010, 28A.195.030, 28A.195.060, 28A.230.010, 28A.300.236, 28A.700.070, 28A.655.070, 28A.305.140, 28A.305.140, 28A.300.545, 28A.655.180, 28A.655.180, and 28A.150.250; reenacting and amending RCW 28A.230.097; adding a new section to chapter 28A.150 RCW; adding a new section to chapter 28A.230 RCW; adding new sections to chapter 28A.300 RCW; adding a new section to chapter 28A.305 RCW; creating a new section; recodifying RCW 28A.305.140; repealing RCW 28A.305.141 and 28A.305.142; 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 finds that specific powers, duties, and functions of the state board of education and the superintendent of public instruction should be realigned to better serve students and families, educators, school districts, and schools both public and private.

The legislature recognizes that the state board of education and the superintendent of public instruction, with the support of the governor's office, convened a roles and responsibilities task force to review their authorities and made recommendations to clarify and realign responsibilities among the agencies.

The legislature, therefore, intends to clarify, and in some cases shift, responsibilities related to private schools, educational service district boundaries, career and technical education equivalencies, adoption of learning standards, waiver of school district requirements, and compliance with basic education requirements.

PART I

EDUCATIONAL SERVICE DISTRICT BOUNDARIES

Sec. 101. RCW 28A.310.020 and 1994 sp.s. c 6 s 513 are each amended to read as follows:

The (~~state board of education~~) superintendent of public instruction upon ~~(its)~~ his or her own initiative, or upon petition of any educational service

district board, or upon petition of at least half of the district superintendents within an educational service district, or upon request of the (~~(superintendent of public instruction)~~) state board of education, may make changes in the number and boundaries of the educational service districts, including an equitable adjustment and transfer of any and all property, assets, and liabilities among the educational service districts whose boundaries and duties and responsibilities are increased and/or decreased by such changes, consistent with the purposes of RCW 28A.310.010: PROVIDED, That no reduction in the number of educational service districts will take effect after June 30, 1995, without a majority approval vote by the affected school directors voting in such election by mail ballot. Prior to making any such changes, the (~~(state board)~~) superintendent of public instruction, or his or her designee, shall hold at least one public hearing on such proposed action and shall consider any recommendations on such proposed action.

The (~~(state board)~~) superintendent of public instruction in making any change in boundaries shall give consideration to, but not be limited by, the following factors: Size, population, topography, and climate of the proposed district.

The superintendent of public instruction shall furnish personnel, material, supplies, and information necessary to enable educational service district boards and superintendents to consider the proposed changes.

PART II PRIVATE SCHOOLS

Sec. 201. RCW 28A.195.010 and 2009 c 548 s 303 are each amended to read as follows:

The legislature hereby recognizes that private schools should be subject only to those minimum state controls necessary to insure the health and safety of all the students in the state and to insure a sufficient basic education to meet usual graduation requirements. The state, any agency or official thereof, shall not restrict or dictate any specific educational or other programs for private schools except as hereinafter in this section provided.

(~~(Principals)~~) The administrative or executive authority of private schools or (~~(superintendents of)~~) private school districts shall file each year with the state (~~(superintendent of public instruction)~~) board of education a statement certifying that the minimum requirements hereinafter set forth are being met, noting any deviations. The state board of education may request clarification or additional information. After review of the statement, the state (~~(superintendent)~~) board of education will notify schools or school districts of (~~(those)~~) any concerns, deficiencies, and deviations which must be corrected. (~~(In case of major)~~) If there are any unresolved concerns, deficiencies, or deviations, the school or school district may request (~~(and)~~) or the state board of education on its own initiative may grant provisional status for one year in order that the school or school district may take action to meet the requirements. The state board of education shall not require private school students to meet the student learning goals, obtain a certificate of academic achievement, or a certificate of individual achievement to graduate from high school, to master the essential academic learning requirements, or to be assessed pursuant to RCW 28A.655.061. However, private schools may choose, on a voluntary basis, to have their students master these essential academic learning requirements, take the

assessments, and obtain a certificate of academic achievement or a certificate of individual achievement. Minimum requirements shall be as follows:

(1) The minimum school year for instructional purposes shall consist of no less than one hundred eighty school days or the equivalent in annual minimum instructional hour offerings, with a school-wide annual average total instructional hour offering of one thousand hours for students enrolled in grades one through twelve, and at least four hundred fifty hours for students enrolled in kindergarten.

(2) The school day shall be the same as defined in RCW 28A.150.203.

(3) All classroom teachers shall hold appropriate Washington state certification except as follows:

(a) Teachers for religious courses or courses for which no counterpart exists in public schools shall not be required to obtain a state certificate to teach those courses.

(b) In exceptional cases, people of unusual competence but without certification may teach students so long as a certified person exercises general supervision. Annual written statements shall be submitted to the (~~office of the superintendent of public instruction~~) state board of education reporting and explaining such circumstances.

(4) An approved private school may operate an extension program for parents, guardians, or persons having legal custody of a child to teach children in their custody. The extension program shall require at a minimum that:

(a) The parent, guardian, or custodian be under the supervision of an employee of the approved private school who is (~~certified~~) certificated under chapter 28A.410 RCW;

(b) The planning by the (~~certified~~) certificated person and the parent, guardian, or person having legal custody include objectives consistent with this subsection and subsections (1), (2), (5), (6), and (7) of this section;

(c) The (~~certified~~) certificated person spend a minimum average each month of one contact hour per week with each student under his or her supervision who is enrolled in the approved private school extension program;

(d) Each student's progress be evaluated by the (~~certified~~) certificated person; and

(e) The (~~certified~~) certificated employee shall not supervise more than thirty students enrolled in the approved private school's extension program.

(5) Appropriate measures shall be taken to safeguard all permanent records against loss or damage.

(6) The physical facilities of the school or district shall be adequate to meet the program offered by the school or district: PROVIDED, That each school building shall meet reasonable health and fire safety requirements. A residential dwelling of the parent, guardian, or custodian shall be deemed to be an adequate physical facility when a parent, guardian, or person having legal custody is instructing his or her child under subsection (4) of this section.

(7) Private school curriculum shall include instruction of the basic skills of occupational education, science, mathematics, language, social studies, history, health, reading, writing, spelling, and the development of appreciation of art and music, all in sufficient units for meeting state board of education graduation requirements.

(8) Each school or school district shall be required to maintain up-to-date policy statements related to the administration and operation of the school or school district.

All decisions of policy, philosophy, selection of books, teaching material, curriculum, except as in subsection (7) of this section provided, school rules and administration, or other matters not specifically referred to in this section, shall be the responsibility of the administration and administrators of the particular private school involved.

Sec. 202. RCW 28A.195.030 and 1974 ex.s. c 92 s 4 are each amended to read as follows:

Any private school may appeal the actions of the ~~((state superintendent of public instruction or))~~ state board of education as provided in chapter 34.05 RCW.

Sec. 203. RCW 28A.195.060 and 1975 1st ex.s. c 275 s 70 are each amended to read as follows:

~~((It shall be the duty of))~~ The administrative or executive authority of every private school in this state ~~((to))~~ must report to the ~~((educational service district))~~ superintendent of public instruction on or before the thirtieth day of June in each year, on ~~((a))~~ forms to be furnished, such information as may be required by the superintendent of public instruction, to make complete the records of education work pertaining to all children residing within the state.

PART III CTE COURSE EQUIVALENCY

Sec. 301. RCW 28A.230.097 and 2014 c 217 s 204 and 2014 c 217 s 102 are each reenacted and 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))~~ superintendent of public instruction 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 part of the student's high school and beyond plan. The office of the superintendent of public instruction shall develop and make available electronic samples of certificates of course completion.

Sec. 302. RCW 28A.230.010 and 2014 c 217 s 103 are each amended to read as follows:

(1) School district boards of directors shall identify and offer courses with content that meet or exceed: (a) The basic education skills identified in RCW 28A.150.210; (b) the graduation requirements under RCW 28A.230.090; (c) the courses required to meet the minimum college entrance requirements under RCW 28A.230.130; and (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)(a) Until January 1, 2019, 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.

(b) On and after January 1, 2019, school district boards of directors of school districts with fewer than two thousand students may apply to the superintendent of public instruction for a waiver from the provisions of subsection (2) of this section under section 504 of this act.

Sec. 303. RCW 28A.300.236 and 2017 3rd sp.s. c 13 s 410 are each amended to read as follows:

(1) Subject to the availability of amounts appropriated for this specific purpose, the office of the superintendent of public instruction must create methodologies for implementing equivalency crediting on a broader scale across the state and facilitate its implementation including, but not limited to, the following:

(a) Implementing statewide career and technical education course equivalency frameworks authorized under RCW 28A.700.070 for high schools and skill centers in science, technology, engineering, and mathematics. This may include development of additional equivalency course frameworks in core subject areas, course performance assessments, and development and delivery of professional development for districts and skill centers implementing the career and technical education frameworks; and

(b) Providing competitive grant funds to school districts to increase the integration and rigor of academic instruction in career and technical education equivalency courses. The grant funds must be used to support teams of general education and career and technical education teachers to convene and design course performance assessments, deepen the understanding of integrating academic and career and technical education in student instruction, and develop professional learning modules for school districts to plan implementation of equivalency crediting.

(2) Beginning in the 2017-18 school year, school districts shall annually report to the office of the superintendent of public instruction the following information:

(a) The annual number of students participating in state-approved equivalency courses; and

(b) The annual number of state approved equivalency credit courses offered in school districts and skill centers.

(3) Beginning December 1, (~~2017~~) 2018, and every December 1st thereafter, the office of the superintendent of public instruction shall annually submit ~~((a summary of the school district information reported under subsection (2) of this section))~~ the following information to the office of the governor, the state board of education, and the appropriate committees of the legislature:

(a) The selected list of equivalent career and technical education courses and their curriculum frameworks that the superintendent of public instruction has approved under RCW 28A.700.070; and

(b) A summary of the school district information reported under subsection (2) of this section.

Sec. 304. RCW 28A.700.070 and 2014 c 217 s 101 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 and, after an opportunity for public comment, approve 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))~~ superintendent of public instruction 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.

PART IV LEARNING STANDARDS

Sec. 401. RCW 28A.655.070 and 2015 c 211 s 3 are each amended to read as follows:

(1) The superintendent of public instruction shall develop essential academic learning requirements that identify the knowledge and skills all public school students need to know and be able to do based on the student learning goals in RCW 28A.150.210, develop student assessments, and implement the accountability recommendations and requests regarding assistance, rewards, and recognition of the state board of education.

(2) The superintendent of public instruction shall:

(a) Periodically revise the essential academic learning requirements, as needed, based on the student learning goals in RCW 28A.150.210. Goals one and two shall be considered primary. To the maximum extent possible, the superintendent shall integrate goal four and the knowledge and skill areas in the other goals in the essential academic learning requirements; and

(b) Review and prioritize the essential academic learning requirements and identify, with clear and concise descriptions, the grade level content expectations to be assessed on the statewide student assessment and used for state or federal accountability purposes. The review, prioritization, and identification shall result in more focus and targeting with an emphasis on depth over breadth in the number of grade level content expectations assessed at each grade level. Grade level content expectations shall be articulated over the grades as a sequence of expectations and performances that are logical, build with increasing depth after foundational knowledge and skills are acquired, and reflect, where appropriate, the sequential nature of the discipline. The office of the superintendent of public instruction, within seven working days, shall post on its web site any grade level content expectations provided to an assessment vendor for use in constructing the statewide student assessment.

(3)(a) In consultation with the state board of education, the superintendent of public instruction shall maintain and continue to develop and revise a

statewide academic assessment system in the content areas of reading, writing, mathematics, and science for use in the elementary, middle, and high school years designed to determine if each student has mastered the essential academic learning requirements identified in subsection (1) of this section. School districts shall administer the assessments under guidelines adopted by the superintendent of public instruction. The academic assessment system may include a variety of assessment methods, including criterion-referenced and performance-based measures.

(b) Effective with the 2009 administration of the Washington assessment of student learning and continuing with the statewide student assessment, the superintendent shall redesign the assessment in the content areas of reading, mathematics, and science in all grades except high school by shortening test administration and reducing the number of short answer and extended response questions.

(c) By the 2014-15 school year, the superintendent of public instruction, in consultation with the state board of education, shall modify the statewide student assessment system to transition to assessments developed with a multistate consortium, as provided in this subsection:

(i) The assessments developed with a multistate consortium to assess student proficiency in English language arts and mathematics shall be administered beginning in the 2014-15 school year. The reading and writing assessments shall not be administered by the superintendent of public instruction or schools after the 2013-14 school year.

(ii) The high school assessments in English language arts and mathematics in (c)(i) of this subsection shall be used for the purposes of earning a certificate of academic achievement for high school graduation under the timeline established in RCW 28A.655.061 and for assessing student career and college readiness.

(iii) During the transition period specified in RCW 28A.655.061, the superintendent of public instruction shall use test items and other resources from the consortium assessment to develop and administer a tenth grade high school English language arts assessment, an end-of-course mathematics assessment to assess the standards common to algebra I and integrated mathematics I, and an end-of-course mathematics assessment to assess the standards common to geometry and integrated mathematics II.

(4) If the superintendent proposes any modification to the essential academic learning requirements or the statewide assessments, then the superintendent shall, upon request, provide opportunities for the education committees of the house of representatives and the senate to review the assessments and proposed modifications to the essential academic learning requirements before the modifications are adopted.

(5) The assessment system shall be designed so that the results under the assessment system are used by educators as tools to evaluate instructional practices, and to initiate appropriate educational support for students who have not mastered the essential academic learning requirements at the appropriate periods in the student's educational development.

(6) By September 2007, the results for reading and mathematics shall be reported in a format that will allow parents and teachers to determine the

academic gain a student has acquired in those content areas from one school year to the next.

(7) To assist parents and teachers in their efforts to provide educational support to individual students, the superintendent of public instruction shall provide as much individual student performance information as possible within the constraints of the assessment system's item bank. The superintendent shall also provide to school districts:

(a) Information on classroom-based and other assessments that may provide additional achievement information for individual students; and

(b) A collection of diagnostic tools that educators may use to evaluate the academic status of individual students. The tools shall be designed to be inexpensive, easily administered, and quickly and easily scored, with results provided in a format that may be easily shared with parents and students.

(8) To the maximum extent possible, the superintendent shall integrate knowledge and skill areas in development of the assessments.

(9) Assessments for goals three and four of RCW 28A.150.210 shall be integrated in the essential academic learning requirements and assessments for goals one and two.

(10) The superintendent shall develop assessments that are directly related to the essential academic learning requirements, and are not biased toward persons with different learning styles, racial or ethnic backgrounds, or on the basis of gender.

(11) The superintendent shall review available and appropriate options for competency-based assessments that meet the essential academic learning requirements. In accordance with the review required by this subsection, the superintendent shall provide a report and recommendations to the education committees of the house of representatives and the senate by November 1, 2019.

(12) The superintendent shall consider methods to address the unique needs of special education students when developing the assessments under this section.

~~((12))~~ (13) The superintendent shall consider methods to address the unique needs of highly capable students when developing the assessments under this section.

~~((13))~~ (14) The superintendent shall post on the superintendent's web site lists of resources and model assessments in social studies, the arts, and health and fitness.

~~((14))~~ (15) The superintendent shall integrate financial education skills and content knowledge into the state learning standards pursuant to RCW 28A.300.460(2)(d).

(16)(a) The superintendent shall notify the state board of education in writing before initiating the development or revision of the essential academic learning requirements under subsections (1) and (2) of this section. The notification must be provided to the state board of education in advance for review at a regularly scheduled or special board meeting and must include the following information:

(i) The subject matter of the essential academic learning requirements;

(ii) The reason or reasons the superintendent is initiating the development or revision; and

(iii) The process and timeline that the superintendent intends to follow for the development or revision.

(b) The state board of education may provide a response to the superintendent's notification for consideration in the development or revision process in (a) of this subsection.

(c) Prior to adoption by the superintendent of any new or revised essential academic learning requirements, the superintendent shall submit the proposed new or revised essential academic learning requirements to the state board of education in advance in writing for review at a regularly scheduled or special board meeting. The state board of education may provide a response to the superintendent's proposal for consideration prior to final adoption.

(17) The state board of education may propose new or revised essential academic learning requirements to the superintendent. The superintendent must respond to the state board of education's proposal in writing.

PART V

WAIVER OF SCHOOL DISTRICT REQUIREMENTS

Sec. 501. RCW 28A.305.140 and 2012 c 53 s 8 are each amended to read as follows:

(1) ~~((The state board of education))~~ (a) In accordance with the criteria adopted by the state board of education under subsection (2) of this section, the superintendent of public instruction may grant waivers to school districts from the provisions of RCW 28A.150.200 through 28A.150.220, except as provided in (b) of this subsection, on the basis that such waiver or waivers are necessary to(:

(a)) implement successfully a local plan to provide for all students in the district an effective education system that is designed to enhance the educational program for each student. The local plan may include alternative ways to provide effective educational programs for students who experience difficulty with the regular education program(:).

(b) ~~((Implement an innovation school or innovation zone designated under RCW 28A.630.081; or~~

(c) ~~Implement a collaborative schools for innovation and success pilot project approved under RCW 28A.630.104.))~~ The state board of education shall have authority to grant waivers from the provisions of RCW 28A.150.220(3)(b) and to grant the waivers set forth in RCW 28A.230.090(1)(c)(ii), 28A.630.081, 28A.630.104, and 28A.655.180.

(2) The state board of education shall adopt rules establishing the criteria to evaluate the need for ~~((the))~~ a waiver or waivers under this section.

Sec. 502. RCW 28A.305.140 and 1990 c 33 s 267 are each amended to read as follows:

~~((The state board of education))~~ (1)(a) In accordance with the criteria adopted by the state board of education under subsection (2) of this section, the superintendent of public instruction may grant waivers to school districts from the provisions of RCW 28A.150.200 through 28A.150.220, except as provided in (b) of this subsection, on the basis that such waiver or waivers are necessary to implement successfully a local plan to provide for all students in the district an effective education system that is designed to enhance the educational program for each student. The local plan may include alternative ways to provide

effective educational programs for students who experience difficulty with the regular education program.

(b) The state board of education shall have authority to grant waivers from the provisions of RCW 28A.150.220(3)(b) and to grant the waivers set forth in RCW 28A.230.090(1)(e)(ii) and 28A.655.180.

(2) The state board of education shall adopt rules establishing the criteria to evaluate the need for ((the)) a waiver or waivers under this section.

NEW SECTION. Sec. 503. A new section is added to chapter 28A.150 RCW to read as follows:

(1) In addition to waivers authorized under RCW 28A.305.140 (as recodified by this act), the superintendent of public instruction, in accordance with the criteria in subsection (2) of this section and criteria adopted by the state board of education under subsection (3) of this section, may grant waivers of the requirement for a one hundred eighty-day school year under RCW 28A.150.220 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 minimum instructional hours may not be waived.

(2) A school district seeking a waiver under this section must submit an application to the superintendent of public instruction 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 superintendent of public instruction may request to assure that the proposed flexible calendar will not adversely affect student learning.

(3) The state board of education shall adopt rules establishing the criteria to evaluate waiver requests under this section. A waiver may be effective for up to three years and may be renewed for subsequent periods of three or fewer years. After each school year in which a waiver has been granted under this section, the superintendent of public instruction must analyze empirical evidence to determine whether the reduction is affecting student learning. If the superintendent of public instruction determines that student learning is adversely affected, the school district must discontinue the flexible calendar as soon as

possible but not later than the beginning of the next school year after the superintendent of public instruction's determination.

(4) The superintendent of public instruction may grant waivers authorized under this section to five or fewer school districts with student populations of less than five hundred students. Of the five waivers that may be granted, two must be reserved for districts with student populations of less than one hundred fifty students.

NEW SECTION. Sec. 504. A new section is added to chapter 28A.230 RCW to read as follows:

(1) The superintendent of public instruction 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.

(2) The state board of education may adopt rules establishing the criteria to evaluate the need for a waiver or waivers under this section.

Sec. 505. RCW 28A.300.545 and 2011 c 45 s 2 are each amended to read as follows:

(1) The superintendent of public instruction shall develop a condensed compliance report form for second-class districts by August 1, 2011. The report form shall allow districts the option of indicating one of the following for each funded program:

(a) The district has complied or received a ~~((state board of education approved))~~ waiver approved by the state board of education or superintendent of public instruction;

(b) The district has not complied, accompanied by an explanation or the steps taken to comply; or

(c) The district has received a grant for less than half of a full-time equivalent instructional staff.

(2) The office of the superintendent of public instruction may conduct random audits of second-class districts that submit a condensed compliance report under RCW 28A.330.250. The purpose of the audit is to determine whether documentation exists to support a school district superintendent's condensed compliance report.

Sec. 506. RCW 28A.655.180 and 2012 c 53 s 9 are each amended to read as follows:

(1) The state board of education ~~((, where appropriate, or the superintendent of public instruction, where appropriate,))~~ may grant waivers to districts from the provisions of statutes or rules relating to: The length of the school year; student-to-teacher ratios; and other administrative rules that in the opinion of the state board of education ~~((or the opinion of the superintendent of public instruction))~~ may need to be waived in order for a district to implement a plan for restructuring its educational program or the educational program of individual schools within the district or to implement an innovation school or innovation zone designated under RCW 28A.630.081 or to implement a collaborative schools for innovation and success pilot project approved under RCW 28A.630.104.

(2) ~~((School districts may use the application process in RCW 28A.305.140 to apply for the waivers under this section.))~~ The state board of education may adopt rules establishing the waiver application process under this section.

Sec. 507. RCW 28A.655.180 and 2009 c 543 s 3 are each amended to read as follows:

(1) The state board of education (~~(, where appropriate, or the superintendent of public instruction, where appropriate,))~~ may grant waivers to districts from the provisions of statutes or rules relating to: The length of the school year; student-to-teacher ratios; and other administrative rules that in the opinion of the state board of education (~~(or the opinion of the superintendent of public instruction))~~ may need to be waived in order for a district to implement a plan for restructuring its educational program or the educational program of individual schools within the district.

(2) (~~(School districts may use the application process in RCW 28A.305.140 to apply for the waivers under this section.))~~ The state board of education may adopt rules establishing the waiver application process under this section.

NEW SECTION. Sec. 508. A new section is added to chapter 28A.300 RCW to read as follows:

Beginning September 1, 2019, the superintendent of public instruction shall annually report to the state board of education and education committees of the house of representatives and the senate summaries of all waiver applications submitted to the superintendent of public instruction for the prior school year under RCW 28A.305.140 (as recodified by this act), sections 503 and 504 of this act, and RCW 28A.150.290, including the following information for each type of waiver:

- (1) The annual number of waiver applications the superintendent approved and did not approve;
- (2) A brief summary of each waiver request;
- (3) The reasons the superintendent approved or did not approve each waiver application; and
- (4) Links to the waiver applications posted on the superintendent's web site.

PART VI

COMPLIANCE WITH BASIC EDUCATION REQUIREMENTS

Sec. 601. 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.

(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)(a) 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)~~) may recommend to the superintendent of public instruction (~~(to)~~) that the superintendent 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.

(b) If the state board of education recommends the withholding of a school district's basic education allocation under this subsection, the superintendent of public instruction may withhold the allocation of state funds in whole or in part for support of the school district. Written notice of the intent to withhold state funds, with reasons stated for this action, shall be made to the school district by the office of the superintendent of public instruction before any portion of the state allocation is withheld.

PART VII

MISCELLANEOUS PROVISIONS

NEW SECTION. Sec. 701. The following acts or parts of acts are each repealed:

(1) RCW 28A.305.141 (Waiver from one hundred eighty-day school year requirement—Criteria) and 2016 c 99 s 1, 2014 c 171 s 1, & 2009 c 543 s 2; and

(2) RCW 28A.305.142 (Waiver from career and technical course equivalency requirement) and 2014 c 217 s 104.

NEW SECTION. Sec. 702. A new section is added to chapter 28A.305 RCW to read as follows:

(1) The transfer of powers, duties, and functions of the superintendent of public instruction and the state board of education pursuant to chapter . . . , Laws of 2018 (this act) do not affect the validity of any superintendent of public instruction or state board of education action performed before the effective date of this section.

(2) If apportionments of budgeted funds are required because of the transfer of powers, duties, and functions directed by chapter . . . , Laws of 2018 (this act), 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 director's certification.

(3) Unless otherwise provided, nothing contained in chapter . . . , Laws of 2018 (this act) may be construed to alter any existing collective bargaining unit or provisions of any existing collective bargaining agreement until the agreement has expired or until the bargaining unit has been modified by action of the personnel resources board as provided by law.

NEW SECTION. Sec. 703. RCW 28A.305.140 is recodified as a section in chapter 28A.300 RCW.

NEW SECTION. Sec. 704. Section 506 of this act expires June 30, 2019.

NEW SECTION. Sec. 705. (1) Sections 201, 202, 501, 503, 504, and 701 of this act take effect January 1, 2019.

(2) Sections 502 and 507 of this act take effect June 30, 2019.

Passed by the House March 5, 2018.

Passed by the Senate March 1, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 178

[House Bill 2858]

EXCESS LOCAL INFRASTRUCTURE FINANCING REVENUES

AN ACT Relating to allowing excess local infrastructure financing revenues to be carried forward; amending RCW 39.102.020; and repealing 2010 c 164 s 13, 2009 c 518 s 25, 2009 c 267 s 9, 2008 c 209 s 2, and 2007 c 229 s 17 (uncodified).

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

Sec. 1. RCW 39.102.020 and 2013 2nd sp.s. c 21 s 6 are each amended to read as follows:

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

(1) "Annual state contribution limit" means seven million five hundred thousand dollars statewide per fiscal year.

(2) "Assessed value" means the valuation of taxable real property as placed on the last completed assessment roll.

(3) "Board" means the community economic revitalization board under chapter 43.160 RCW.

(4) "Dedicated" means pledged, set aside, allocated, received, budgeted, or otherwise identified.

(5) "Demonstration project" means one of the following projects:

(a) Bellingham waterfront redevelopment project;

(b) Spokane river district project at Liberty Lake; and

(c) Vancouver riverwest project.

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

(7) "Fiscal year" means the twelve-month period beginning July 1st and ending the following June 30th.

(8) "Local excise tax allocation revenue" means an amount of local excise taxes equal to some or all of the sponsoring local government's local excise tax increment, amounts of local excise taxes equal to some or all of any participating local government's excise tax increment as agreed upon in the written agreement under RCW 39.102.080(1), or both, and dedicated to local infrastructure financing.

(9) "Local excise tax increment" means an amount equal to the estimated annual increase in local excise taxes in each calendar year following the approval of the revenue development area by the board from taxable activity within the revenue development area, as set forth in the application provided to the board under RCW 39.102.040, and updated in accordance with RCW 39.102.140(1)(f).

(10) "Local excise taxes" means local revenues derived from the imposition of sales and use taxes authorized in RCW 82.14.030.

(11) "Local government" means any city, town, county, port district, and any federally recognized Indian tribe.

(12) "Local infrastructure financing" means the use of revenues received from local excise tax allocation revenues, local property tax allocation revenues, other revenues from local public sources, and revenues received from the local option sales and use tax authorized in RCW 82.14.475, dedicated to pay either the principal and interest on bonds authorized under RCW 39.102.150 or to pay public improvement costs on a pay-as-you-go basis subject to RCW 39.102.195, or both.

(13) "Local property tax allocation revenue" means those tax revenues derived from the receipt of regular property taxes levied on the property tax allocation revenue value and used for local infrastructure financing.

(14) "Low-income housing" means residential housing for low-income persons or families who lack the means which is necessary to enable them, without financial assistance, to live in decent, safe, and sanitary dwellings, without overcrowding. For the purposes of this subsection, "low income" means income that does not exceed eighty percent of the median family income for the standard metropolitan statistical area in which the revenue development area is located.

(15) "Ordinance" means any appropriate method of taking legislative action by a local government.

(16) "Participating local government" means a local government having a revenue development area within its geographic boundaries that has entered into a written agreement with a sponsoring local government as provided in RCW 39.102.080 to allow the use of all or some of its local excise tax allocation revenues or other revenues from local public sources dedicated for local infrastructure financing.

(17) "Participating taxing district" means a local government having a revenue development area within its geographic boundaries that has entered into a written agreement with a sponsoring local government as provided in RCW 39.102.080 to allow the use of some or all of its local property tax allocation revenues or other revenues from local public sources dedicated for local infrastructure financing.

(18) "Property tax allocation revenue base value" means the assessed value of real property located within a revenue development area less the property tax allocation revenue value.

(19)(a)(i) "Property tax allocation revenue value" means seventy-five percent of any increase in the assessed value of real property in a revenue development area resulting from:

(A) The placement of new construction, improvements to property, or both, on the assessment roll, where the new construction and improvements are initiated after the revenue development area is approved by the board;

(B) The cost of new housing construction, conversion, and rehabilitation improvements, when such cost is treated as new construction for purposes of chapter 84.55 RCW as provided in RCW 84.14.020, and the new housing construction, conversion, and rehabilitation improvements are initiated after the revenue development area is approved by the board;

(C) The cost of rehabilitation of historic property, when such cost is treated as new construction for purposes of chapter 84.55 RCW as provided in RCW

84.26.070, and the rehabilitation is initiated after the revenue development area is approved by the board.

(ii) Increases in the assessed value of real property in a revenue development area resulting from (a)(i)(A) through (C) of this subsection are included in the property tax allocation revenue value in the initial year. These same amounts are also included in the property tax allocation revenue value in subsequent years unless the property becomes exempt from property taxation.

(b) "Property tax allocation revenue value" includes seventy-five percent of any increase in the assessed value of new construction consisting of an entire building in the years following the initial year, unless the building becomes exempt from property taxation.

(c) Except as provided in (b) of this subsection, "property tax allocation revenue value" does not include any increase in the assessed value of real property after the initial year.

(d) There is no property tax allocation revenue value if the assessed value of real property in a revenue development area has not increased as a result of any of the reasons specified in (a)(i)(A) through (C) of this subsection.

(e) For purposes of this subsection, "initial year" means:

(i) For new construction and improvements to property added to the assessment roll, the year during which the new construction and improvements are initially placed on the assessment roll;

(ii) For the cost of new housing construction, conversion, and rehabilitation improvements, when such cost is treated as new construction for purposes of chapter 84.55 RCW, the year when such cost is treated as new construction for purposes of levying taxes for collection in the following year; and

(iii) For the cost of rehabilitation of historic property, when such cost is treated as new construction for purposes of chapter 84.55 RCW, the year when such cost is treated as new construction for purposes of levying taxes for collection in the following year.

(20) "Public improvement costs" means the cost of: (a) Design, planning, acquisition including land acquisition, site preparation including land clearing, construction, reconstruction, rehabilitation, improvement, and installation of public improvements; (b) demolishing, relocating, maintaining, and operating property pending construction of public improvements; (c) the local government's portion of relocating utilities as a result of public improvements; (d) financing public improvements, including interest during construction, legal and other professional services, taxes, insurance, principal and interest costs on general indebtedness issued to finance public improvements, and any necessary reserves for general indebtedness; (e) assessments incurred in revaluing real property for the purpose of determining the property tax allocation revenue base value that are in excess of costs incurred by the assessor in accordance with the revaluation plan under chapter 84.41 RCW, and the costs of apportioning the taxes and complying with this chapter and other applicable law; (f) administrative expenses and feasibility studies reasonably necessary and related to these costs; and (g) any of the above-described costs that may have been incurred before adoption of the ordinance authorizing the public improvements and the use of local infrastructure financing to fund the costs of the public improvements.

(21) "Public improvements" means:

(a) Infrastructure improvements within the revenue development area that include:

(i) Street, bridge, and road construction and maintenance, including highway interchange construction;

(ii) Water and sewer system construction and improvements, including wastewater reuse facilities;

(iii) Sidewalks, traffic controls, and streetlights;

(iv) Parking, terminal, and dock facilities;

(v) Park and ride facilities of a transit authority;

(vi) Park facilities and recreational areas, including trails; and

(vii) Stormwater and drainage management systems;

(b) Expenditures for facilities and improvements that support affordable housing as defined in RCW 43.63A.510.

(22) "Real property" has the same meaning as in RCW 84.04.090 and also includes any privately owned improvements located on publicly owned land that are subject to property taxation.

(23) "Regular property taxes" means regular property taxes as defined in RCW 84.04.140, except: (a) Regular property taxes levied by public utility districts specifically for the purpose of making required payments of principal and interest on general indebtedness; (b) regular property taxes levied by the state for the support of the common schools under RCW 84.52.065; and (c) regular property taxes authorized by RCW 84.55.050 that are limited to a specific purpose. "Regular property taxes" do not include excess property tax levies that are exempt from the aggregate limits for junior and senior taxing districts as provided in RCW 84.52.043.

(24) "Relocating a business" means the closing of a business and the reopening of that business, or the opening of a new business that engages in the same activities as the previous business, in a different location within a one-year period, when an individual or entity has an ownership interest in the business at the time of closure and at the time of opening or reopening. "Relocating a business" does not include the closing and reopening of a business in a new location where the business has been acquired and is under entirely new ownership at the new location, or the closing and reopening of a business in a new location as a result of the exercise of the power of eminent domain.

(25) "Revenue development area" means the geographic area adopted by a sponsoring local government and approved by the board, from which local excise and property tax allocation revenues are derived for local infrastructure financing.

(26)(a) "Revenues from local public sources" means:

(i) Amounts of local excise tax allocation revenues and local property tax allocation revenues, dedicated by sponsoring local governments, participating local governments, and participating taxing districts, for local infrastructure financing; and

(ii) Any other local revenues, except as provided in (b) of this subsection, including revenues derived from federal and private sources.

(b) Revenues from local public sources do not include any local funds derived from state grants, state loans, or any other state moneys including any local sales and use taxes credited against the state sales and use taxes imposed under chapter 82.08 or 82.12 RCW.

(27) "Small business" has the same meaning as provided in RCW 19.85.020.

(28) "Sponsoring local government" means a city, town, or county, and for the purpose of this chapter a federally recognized Indian tribe or any combination thereof, that adopts a revenue development area and applies to the board to use local infrastructure financing.

(29) "State contribution" means the lesser of:

(a) One million dollars;

(b) The total amount of local excise tax allocation revenues, local property tax allocation revenues, and other revenues from local public sources, that are dedicated by a sponsoring local government, any participating local governments, and participating taxing districts, in the preceding calendar year to the payment of principal and interest on bonds issued under RCW 39.102.150 or to pay public improvement costs on a pay-as-you-go basis subject to RCW 39.102.195, or both. Revenues from local public sources dedicated in the preceding calendar year that are in excess of the project award may be carried forward and used in later years for the purpose of this subsection (29)(b);

(c) The amount of project award granted by the board in the notice of approval to use local infrastructure financing under RCW 39.102.040; or

(d) The highest amount of state excise tax allocation revenues and state property tax allocation revenues for any one calendar year as determined by the sponsoring local government and reported to the board and the department as required by RCW 39.102.140.

(30) "State excise tax allocation revenue" means an amount equal to the annual increase in state excise taxes estimated to be received by the state in each calendar year following the approval of the revenue development area by the board, from taxable activity within the revenue development area as set forth in the application provided to the board under RCW 39.102.040 and periodically updated and reported as required in RCW 39.102.140(1)(f).

(31) "State excise taxes" means revenues derived from state retail sales and use taxes under RCW 82.08.020(1) and 82.12.020 at the rate provided in RCW 82.08.020(1), less the amount of tax distributions from all local retail sales and use taxes, other than the local sales and use taxes authorized by RCW 82.14.475 for the applicable revenue development area, imposed on the same taxable events that are credited against the state retail sales and use taxes under chapters 82.08 and 82.12 RCW.

(32) "State property tax allocation revenue" means an amount equal to the estimated tax revenues derived from the imposition of property taxes levied by the state for the support of common schools under RCW 84.52.065 on the property tax allocation revenue value, as set forth in the application submitted to the board under RCW 39.102.040 and updated annually in the report required under RCW 39.102.140(1)(f).

(33) "Taxing district" means a government entity that levies or has levied for its regular property taxes upon real property located within a proposed or approved revenue development area.

NEW SECTION. Sec. 2. The following acts or parts of acts are each repealed:

(1) 2010 c 164 s 13 (uncodified);

(2) 2009 c 518 s 25 (uncodified);

- (3) 2009 c 267 s 9 (uncodified);
- (4) 2008 c 209 s 2 (uncodified); and
- (5) 2007 c 229 s 17 (uncodified).

Passed by the House February 28, 2018.

Passed by the Senate March 2, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 179

[Engrossed House Bill 2957]

NONNATIVE FINFISH--MARINE AQUACULTURE--ESCAPE

AN ACT Relating to reducing escape of nonnative finfish from marine finfish aquaculture facilities; amending RCW 77.115.010, 77.115.030, 77.115.040, 77.125.030, 77.12.047, and 50.04.075; adding a new section to chapter 79.105 RCW; adding new sections to chapter 77.125 RCW; adding a new section to chapter 90.48 RCW; creating new sections; and providing an expiration date.

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

****NEW SECTION. Sec. 1. Recent developments have thrown into stark relief the threat that nonnative marine finfish aquaculture may pose to Washington's native salmon populations. But just as evidence has emerged that nonnative marine finfish aquaculture may endanger Washington's native salmon populations, so too has evidence emerged that marine finfish aquaculture in general may pose unacceptable risks not only to Washington's native salmon populations but also to the broader health of Washington's marine environment. Given this evidence, the legislature intends to phase out nonnative finfish aquaculture in Washington's marine waters. Because the state of the science and engineering with regard to marine finfish aquaculture may be evolving, the legislature further intends to study this issue in greater depth, and to revisit the issue of marine finfish aquaculture once additional research becomes available.***

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

NEW SECTION. Sec. 2. A new section is added to chapter 79.105 RCW to read as follows:

(1) The department may not allow nonnative marine finfish aquaculture as an authorized use under any new lease or other use authorization.

(2) The department may not renew or extend a lease or other use authorization in existence on the effective date of this section where the use includes nonnative marine finfish aquaculture.

NEW SECTION. Sec. 3. A new section is added to chapter 77.125 RCW to read as follows:

(1) The department may authorize or permit activities associated with the use of marine net pens for nonnative marine finfish aquaculture only if these activities are performed under a lease of state-owned aquatic lands in effect on the effective date of this section. The department may not authorize or permit any of these activities or operations after the expiration date of the relevant lease of state-owned aquatic lands in effect on the effective date of this section.

(2) For purposes of this section, "state-owned aquatic lands" has the same meaning as defined in RCW 79.105.060.

NEW SECTION, Sec. 4. A new section is added to chapter 90.48 RCW to read as follows:

(1) The department may issue national pollutant discharge elimination system permits associated with nonnative marine finfish aquaculture only if these activities are performed under a lease of state-owned aquatic lands in effect on the effective date of this section. The department may not issue national pollutant discharge elimination system permits in connection with any of these activities or operations after the expiration date of the relevant lease of state-owned aquatic lands in effect on the effective date of this section.

(2) For purposes of this section, "state-owned aquatic lands" has the same meaning as defined in RCW 79.105.060.

NEW SECTION, Sec. 5. (1) The departments of ecology, agriculture, and fish and wildlife, as well as the department of natural resources, shall continue the existing effort to update guidance and informational resources to industry and governments for planning and permitting commercial marine net pen aquaculture. As part of this effort, the departments shall seek advice and technical assistance from the Northwest Indian fisheries commission, and the national centers for coastal ocean science, and shall invite consultation and participation from the University of Washington school of aquatic and fishery sciences, Western Washington University, Washington State University, Northwest Indian College, and additional authorities, as appropriate, including federally recognized Indian tribes. The guidance must be designed to eliminate commercial marine net pen escapement and to eliminate negative impacts to water quality and native fish, shellfish, and wildlife. At a minimum, the guidance must address the following topics:

- (a) Local shoreline permitting;
- (b) Water quality;
- (c) The state of the science concerning marine finfish aquaculture impacts on native fish, shellfish, and wildlife;
- (d) Best management practices for the safe and effective operation of finfish aquaculture in the marine environment;
- (e) Interagency coordination in permitting, inspections, and enforcement; and
- (f) Recommendations for future legislative oversight of marine finfish net pen aquaculture.

(2) The departments must report to the legislature, consistent with RCW 43.01.036, by November 1, 2019.

(3) This section expires June 30, 2020.

Sec. 6. RCW 77.115.010 and 2000 c 107 s 122 are each amended to read as follows:

(1) The director of agriculture and the director shall jointly develop a program of disease inspection and control for aquatic farmers as defined in RCW 15.85.020. The program shall be administered by the department under rules established under this section. The purpose of the program is to protect the aquaculture industry and wildstock fisheries from a loss of productivity due to aquatic diseases or maladies. As used in this section "diseases" means, in

addition to its ordinary meaning, infestations of parasites or pests. The disease program may include, but is not limited to, the following elements:

- (a) Disease diagnosis;
- (b) Import and transfer requirements;
- (c) Provision for certification of stocks;
- (d) Classification of diseases by severity;
- (e) Provision for treatment of selected high-risk diseases;
- (f) Provision for containment and eradication of high-risk diseases;
- (g) Provision for destruction of diseased cultured aquatic products;
- (h) Provision for quarantine of diseased cultured aquatic products;
- (i) Provision for coordination with state and federal agencies;
- (j) Provision for development of preventative or control measures;
- (k) Provision for cooperative consultation service to aquatic farmers; and
- (l) Provision for disease history records.

(2) The commission shall adopt rules implementing this section. However, such rules shall have the prior approval of the director of agriculture and shall provide therein that the director of agriculture has provided such approval. The director of agriculture or the director's designee shall attend the rule-making hearings conducted under chapter 34.05 RCW and shall assist in conducting those hearings. The authorities granted the department by these rules and by RCW 77.12.047(1)(g), 77.60.060, 77.60.080, 77.65.210, (~~77.115.020,~~) 77.115.030, and 77.115.040 constitute the only authorities of the department to regulate private sector cultured aquatic products and aquatic farmers as defined in RCW 15.85.020. Except as provided in subsection (3) of this section, no action may be taken against any person to enforce these rules unless the department has first provided the person an opportunity for a hearing. In such a case, if the hearing is requested, no enforcement action may be taken before the conclusion of that hearing.

(3) The rules adopted under this section shall specify the emergency enforcement actions that may be taken by the department, and the circumstances under which they may be taken, without first providing the affected party with an opportunity for a hearing. Neither the provisions of this subsection nor the provisions of subsection (2) of this section shall preclude the department from requesting the initiation of criminal proceedings for violations of the disease inspection and control rules.

(4) A person shall not violate the rules adopted under subsection (2) or (3) of this section or violate RCW 77.115.040.

(5) In administering the program established under this section, the department shall use the services of a pathologist licensed to practice veterinary medicine.

(6) The director in administering the program shall not place constraints on or take enforcement actions in respect to the aquaculture industry that are more rigorous than those placed on the department or other fish-rearing entities.

(7) The department must implement this section consistent with section 3 of this act.

Sec. 7. RCW 77.115.030 and 2000 c 107 s 124 are each amended to read as follows:

(1) The director shall consult regarding the disease inspection and control program established under RCW 77.115.010 with federal agencies and Indian

tribes to assure protection of state, federal, and tribal aquatic resources and to protect private sector cultured aquatic products from disease that could originate from waters or facilities managed by those agencies.

(2) With regard to the program, the director may enter into contracts or interagency agreements for diagnostic field services with government agencies and institutions of higher education and private industry.

(3) The director shall provide for the creation and distribution of a roster of biologists having a specialty in the diagnosis or treatment of diseases of fish or shellfish. The director shall adopt rules specifying the qualifications which a person must have in order to be placed on the roster.

(4) The department must implement this section consistent with section 3 of this act.

Sec. 8. RCW 77.115.040 and 2011 c 339 s 37 are each amended to read as follows:

(1) All aquatic farmers, as defined in RCW 15.85.020, shall register with the department. The application fee is one hundred five dollars. The director shall assign each aquatic farm a unique registration number and develop and maintain in an electronic database a registration list of all aquaculture farms. The department shall establish procedures to annually update the aquatic farmer information contained in the registration list. The department shall coordinate with the department of health using shellfish growing area certification data when updating the registration list.

(2) Registered aquaculture farms shall provide the department with the following information:

(a) The name of the aquatic farmer;

(b) The address of the aquatic farmer;

(c) Contact information such as telephone, fax, web site, and email address, if available;

(d) The number and location of acres under cultivation, including a map displaying the location of the cultivated acres;

(e) The name of the landowner of the property being cultivated or otherwise used in the aquatic farming operation;

(f) The private sector cultured aquatic product being propagated, farmed, or cultivated; and

(g) Statistical production data.

(3) The state veterinarian shall be provided with registration and statistical data by the department.

(4) The department must implement this section consistent with section 3 of this act.

Sec. 9. RCW 77.125.030 and 2001 c 86 s 3 are each amended to read as follows:

The director, in cooperation with the marine finfish aquatic farmers, shall develop proposed rules for the implementation, administration, and enforcement of marine finfish aquaculture programs. In developing such proposed rules, the director must use a negotiated rule-making process pursuant to RCW 34.05.310. The proposed rules shall be submitted to the appropriate legislative committees by January 1, 2002, to allow for legislative review of the proposed rules. The proposed rules shall include the following elements:

(1) Provisions for the prevention of escapes of cultured marine finfish aquaculture products from enclosures, net pens, or other rearing vessels;

(2) Provisions for the development and implementation of management plans to facilitate the most rapid recapture of live marine finfish aquaculture products that have escaped from enclosures, net pens, or other rearing vessels, and to prevent the spread or permanent escape of these products;

(3) Provisions for the development of management practices based on the latest available science, to include:

(a) Procedures for inspections of marine aquatic farming locations on a regular basis to determine conformity with law and the rules of the department relating to the operation of marine aquatic farming locations; and

(b) Operating procedures at marine aquatic farming locations to prevent the escape of marine finfish, to include the use of net antifoulants;

(4) Provisions for the eradication of those cultured marine finfish aquaculture products that have escaped from enclosures, net pens, or other rearing vessels found spawning in state waters;

(5) Provisions for the determination of appropriate species, stocks, and races of marine finfish aquaculture products allowed to be cultured at specific locations and sites;

(6) Provisions for the development of an Atlantic salmon watch program similar to the one in operation in British Columbia, Canada. The program must provide for the monitoring of escapes of Atlantic salmon from marine aquatic farming locations, monitor the occurrence of naturally produced Atlantic salmon, determine the impact of Atlantic salmon on naturally produced and cultured finfish stocks, provide a focal point for consolidation of scientific information, and provide a forum for interaction and education of the public; and

(7) Provisions for the development of an education program to assist marine aquatic farmers so that they operate in an environmentally sound manner.

(8) The department must implement this section consistent with section 3 of this act.

Sec. 10. RCW 77.12.047 and 2017 c 159 s 2 are each amended to read as follows:

(1) The commission may adopt, amend, or repeal rules as follows:

(a) Specifying the times when the taking of wildlife, fish, or shellfish is lawful or unlawful.

(b) Specifying the areas and waters in which the taking and possession of wildlife, fish, or shellfish is lawful or unlawful.

(c) Specifying and defining the gear, appliances, or other equipment and methods that may be used to take wildlife, fish, or shellfish, and specifying the times, places, and manner in which the equipment may be used or possessed.

(d) Regulating the importation, transportation, possession, disposal, landing, and sale of wildlife, fish, shellfish, or seaweed within the state, whether acquired within or without the state. However, this authority must be exercised consistent with sections 3 and 12 of this act. Additionally, the rules of the department must prohibit any person, including department staff, from translocating a live elk from an area with elk affected by hoof disease to any other location except:

(i) Consistent with a process developed by the department with input from the affected federally recognized tribes for translocation for monitoring or hoof disease management purposes; or

- (ii) Within an elk herd management plan area affected by hoof disease.
- (e) Regulating the prevention and suppression of diseases and pests affecting wildlife, fish, or shellfish.
- (f) Regulating the size, sex, species, and quantities of wildlife, fish, or shellfish that may be taken, possessed, sold, or disposed of.
- (g) Specifying the statistical and biological reports required from fishers, dealers, boathouses, or processors of wildlife, fish, or shellfish.
- (h) Classifying species of marine and freshwater life as food fish or shellfish.
 - (i) Classifying the species of wildlife, fish, and shellfish that may be used for purposes other than human consumption.
 - (j) Regulating the taking, sale, possession, and distribution of wildlife, fish, shellfish, or deleterious exotic wildlife.
 - (k) Establishing game reserves and closed areas where hunting for wild animals or wild birds may be prohibited.
 - (l) Regulating the harvesting of fish, shellfish, and wildlife in the federal exclusive economic zone by vessels or individuals registered or licensed under the laws of this state.
 - (m) Authorizing issuance of permits to release, plant, or place fish or shellfish in state waters.
 - (n) Governing the possession of fish, shellfish, or wildlife so that the size, species, or sex can be determined visually in the field or while being transported.
 - (o) Other rules necessary to carry out this title and the purposes and duties of the department.
- (2)(a) Subsections (1)(a), (b), (c), (d), and (f) of this section do not apply to private tideland owners and lessees and the immediate family members of the owners or lessees of state tidelands, when they take or possess oysters, clams, cockles, borers, or mussels, excluding razor clams, produced on their own private tidelands or their leased state tidelands for personal use.
- (b) "Immediate family member" for the purposes of this section means a spouse, brother, sister, grandparent, parent, child, or grandchild.
- (3) Except for subsection (1)(g) of this section, this section does not apply to private sector cultured aquatic products as defined in RCW 15.85.020. Subsection (1)(g) of this section does apply to such products.

Sec. 11. RCW 50.04.075 and 2011 c 4 s 12 are each amended to read as follows:

- (1) With respect to claims with an effective date prior to July 1, 2012, "dislocated worker" means any individual who:
 - (a) Has been terminated or received a notice of termination from employment;
 - (b) Is eligible for or has exhausted entitlement to unemployment compensation benefits; and
 - (c) Is unlikely to return to employment in the individual's principal occupation or previous industry because of a diminishing demand for their skills in that occupation or industry.
- (2) With respect to claims with an effective date on or after July 1, 2012, "dislocated worker" means any individual who:
 - (a) Has been involuntarily and indefinitely separated from employment as a result of a permanent reduction of operations at the individual's place of

employment, ~~((or))~~ has separated from a declining occupation, or has separated from employment as a result of this act; and

(b) Is eligible for or has exhausted entitlement to unemployment compensation benefits.

NEW SECTION. Sec. 12. A new section is added to chapter 77.125 RCW to read as follows:

(1) For marine finfish aquaculture, the facility operator must hire, at their own expense, a marine engineering firm approved by the department to conduct inspections. Inspections must occur approximately every two years, when net pens are fallow, and must include topside and mooring assessments related to escapement potential, structural integrity, permit compliance, and operations.

(2) Any net pen facility must be found to be in good working order to receive fish.

(3) If the facility is found to be in imminent danger of collapse or release of finfish, the director may require the operator to remove fish or deny a fish transfer permit.

Passed by the House February 14, 2018.

Passed by the Senate March 2, 2018.

Approved by the Governor March 22, 2018, with the exception of certain items that were vetoed.

Filed in Office of Secretary of State March 26, 2018.

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

"I am returning herewith, without my approval as to Section 1, Engrossed House Bill No. 2957 entitled:

"AN ACT Relating to reducing escape of nonnative finfish from marine finfish aquaculture facilities."

Section 1 is unnecessary to implement the bill and I do not agree with all the assertions made in this section.

For these reasons I have vetoed Section 1 of Engrossed House Bill No. 2957.

With the exception of Section 1, Engrossed House Bill No. 2957 is approved."

CHAPTER 180

[Substitute House Bill 2970]

AUTONOMOUS VEHICLE WORK GROUP

AN ACT Relating to the establishment of an autonomous vehicle work group; adding a new section to chapter 47.01 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. A new section is added to chapter 47.01 RCW to read as follows:

The commission must convene an executive and legislative work group to develop policy recommendations to address the operation of autonomous vehicles on public roadways in the state, subject to the availability of amounts appropriated for this specific purpose.

(1)(a)(i) Executive branch membership of the work group must include, but is not limited to: The governor or his or her designee or designees, the insurance

commissioner or his or her designee or designees, the director of the department of licensing or his or her designee or designees, the secretary or his or her designee or designees, the chief of the Washington state patrol or his or her designee or designees, and the director of the traffic safety commission or his or her designee or designees.

(ii) Executive branch membership of the work group may also include: The assistant secretary of the department of social and health services aging and long-term support administration or his or her designee or designees and the deputy director of the department of enterprise services who oversees fleet operations or his or her designee or designees.

(b) The president of the senate shall appoint two interested members from each of the two largest caucuses of the senate. The speaker of the house of representatives shall appoint two interested members from each of the two largest caucuses of the house of representatives.

(c) The commission may invite additional participation on an ongoing, recurring, or one-time basis from individuals representing additional state agencies, local and regional governments, local law enforcement agencies, transit authorities, state colleges and universities, autonomous vehicle technology developers, motor vehicle manufacturers, insurance associations, network providers, software development companies, and other relevant stakeholders as appropriate.

(2) To prepare for the use of autonomous vehicle technology in the state, the work group, while taking into account the transportation system policy goals established in RCW 47.04.280(1), must:

(a) Follow developments in autonomous vehicle technology, autonomous vehicle deployment, and federal, state, and local policies that relate to the operation of autonomous vehicles, including the federal government's recommendations related to vehicle performance guidance for autonomous vehicles, model state policy, and current and possible federal regulatory tools for the regulation of autonomous vehicles. The scope of the work must include autonomous commercial vehicles, in addition to autonomous passenger vehicles;

(b) Explore approaches to the modification of state policy, rules, and laws to further public safety and prepare the state for the emergence and deployment of autonomous vehicle technology. Areas for consideration may include, but are not limited to, manufacturer vehicle testing, vehicle registration and titling requirements, driver's license requirements, rules of the road, criminal law, roadway infrastructure, traffic management, transit, vehicle insurance, tort liability, cybersecurity, privacy, advertising, impacts to social services, and impacts to labor and small businesses;

(c) Disseminate information, as appropriate, to all interested stakeholders; and

(d) At the direction of the legislature, engage the public through surveys, focus groups, and other such means, in order to inform policymakers for the purposes of policy development.

(3)(a) The commission must develop and update recommendations annually based on the input provided by the work group. By November 15th of each year, the commission must provide a report to the governor and the relevant committees of the legislature that describes the progress made by the work group and the commission's recommendations.

(b) The recommendations made by the commission may include proposed modifications to state law and rules to address the emergence and deployment of autonomous vehicle technology in the state.

NEW SECTION. Sec. 2. Sections 1 and 3 of this act expire December 31, 2023.

NEW SECTION. Sec. 3. The legislature finds that autonomous vehicle technology is rapidly evolving and that the testing and deployment of this technology is advancing at a rapid pace. Washington state's policies, laws, and rules predate autonomous vehicle technology and largely have not been developed in consideration of the operation of this technology on roadways in the state. At both the federal and state level, efforts are underway to begin to establish a framework of policy guidance, laws, and rules that will organize and govern the use of autonomous vehicle technology in the United States. The legislature finds that establishing an autonomous vehicle work group, to be convened by the transportation commission, will facilitate state efforts to address the emergence of autonomous vehicle technology. It is the intent of the legislature for the transportation commission to develop recommendations for policy, laws, and rules for the operation of autonomous vehicles, with input from the autonomous vehicle work group, that enable Washington state to address the public policy changes necessitated by the emergence of this technology in an informed, thorough, and deliberate manner. This effort is required because robot cars are coming, but robot policy makers are not.

Passed by the House March 3, 2018.

Passed by the Senate March 1, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 181

[Engrossed Senate Bill 5518]

CHIROPRACTIC SERVICES--REIMBURSEMENT RATE

AN ACT Relating to fair reimbursement for chiropractic services; amending RCW 48.43.190; creating a new section; and providing an effective date.

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

Sec. 1. RCW 48.43.190 and 2008 c 304 s 1 are each amended to read as follows:

(1)(a) A health carrier may not pay a chiropractor less for a service or procedure identified under a particular physical medicine and rehabilitation code ((~~09~~)), evaluation and management code, or spinal manipulation code, as listed in a nationally recognized services and procedures code book such as the American medical association current procedural terminology code book, than it pays any other type of provider licensed under Title 18 RCW for a service or procedure under the same or substantially similar code, except as provided in (b) of this subsection. A carrier may not circumvent this requirement by creating a chiropractor-specific code not listed in the nationally recognized code book otherwise used by the carrier for provider payment.

(b) This section does not affect a health carrier's:

(i) Implementation of a health care quality improvement program to promote cost-effective and clinically efficacious health care services, including but not limited to pay-for-performance payment methodologies and other programs fairly applied to all health care providers licensed under Title 18 RCW that are designed to promote evidence-based and research-based practices;

(ii) Health care provider contracting to comply with the network adequacy standards;

(iii) Authority to pay in-network providers differently than out-of-network providers; and

(iv) Authority to pay a chiropractor less than another provider for procedures or services under the same or a substantially similar code based upon ((geographic)) differences in the cost of maintaining a practice or carrying malpractice insurance, as recognized by a nationally accepted reimbursement methodology.

(c) This section does not, and may not be construed to:

(i) Require the payment of provider billings that do not meet the definition of a clean claim as set forth in rules adopted by the commissioner;

(ii) Require any health plan to include coverage of any condition; or

(iii) Expand the scope of practice for any health care provider.

(2) This section applies only to payments made on or after January 1, 2009.

NEW SECTION. Sec. 2. The office of the insurance commissioner may adopt any rules necessary to implement section 1 of this act.

NEW SECTION. Sec. 3. Section 1 of this act takes effect January 1, 2019.

Passed by the Senate March 5, 2018.

Passed by the House February 28, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 182

[Substitute Senate Bill 5522]

NEWBORN SAFE SURRENDER--INFORMATION COLLECTION

AN ACT Relating to requiring the department of social and health services to collect and publicly report information on the safe surrender of newborn children; amending RCW 13.34.360; and creating a new section.

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

NEW SECTION. Sec. 1. The legislature finds that on February 12, 2014, the body of a newborn girl was found near the side of a road in North Bend, Washington, wrapped in a blanket. The newborn was less than half a mile away from Snoqualmie valley hospital, a location where infants can be safely and anonymously surrendered under Washington state's safety of newborn children law. The legislature further finds that while national estimates are that safe surrender laws across the country have saved well over one thousand infants in the past decade, surprisingly little is known about how many abandonment incidents occur and how many could have been or have been prevented through safe surrender laws.

The legislature further finds that no newborn should be abandoned to die alone and hungry as its first and only exposure to the world, any life that can be

saved under the safety of the newborn children law is worth saving, and understanding the characteristics of newborn abandonment and knowing when and where they occur is crucial for developing effective public awareness strategies to make caregivers aware of the state's safe surrender option. The legislature further finds that while existing state law requires persons receiving infants under the safety of newborn children law to notify child protective services, which is situated within the Washington state department of social and health services children's administration, within twenty-four hours, there is no statutory requirement for the department of social and health services to report data on surrendered newborns. The legislature therefore intends to require the department of social and health services to provide consistent tracking and regular public reporting of safe surrender information statewide and to regularly publish information on safe surrenders.

Sec. 2. RCW 13.34.360 and 2009 c 290 s 1 are each amended to read as follows:

(1) For purposes of this section:

(a) "Appropriate location" means (i) the emergency department of a hospital licensed under chapter 70.41 RCW during the hours the hospital is in operation; (ii) a fire station during its hours of operation and while fire personnel are present; or (iii) a federally designated rural health clinic during its hours of operation.

(b) "Newborn" means a live human being who is less than seventy-two hours old.

(c) "Qualified person" means (i) any person that the parent transferring the newborn reasonably believes is a bona fide employee, volunteer, or medical staff member of the hospital or federally designated rural health clinic and who represents to the parent transferring the newborn that he or she can and will summon appropriate resources to meet the newborn's immediate needs; or (ii) a firefighter, volunteer, or emergency medical technician at a fire station who represents to the parent transferring the newborn that he or she can and will summon appropriate resources to meet the newborn's immediate needs.

(2) A parent of a newborn who transfers the newborn to a qualified person at an appropriate location is not subject to criminal liability under RCW 9A.42.060, 9A.42.070, 9A.42.080, 26.20.030, or 26.20.035.

(3)(a) The qualified person at an appropriate location shall not require the parent transferring the newborn to provide any identifying information in order to transfer the newborn.

(b) The qualified person at an appropriate location shall attempt to protect the anonymity of the parent who transfers the newborn, while providing an opportunity for the parent to anonymously give the qualified person such information as the parent knows about the family medical history of the parents and the newborn. The qualified person at an appropriate location shall provide referral information about adoption options, counseling, appropriate medical and emotional aftercare services, domestic violence, and legal rights to the parent seeking to transfer the newborn.

(c) If a parent of a newborn transfers the newborn to a qualified person at an appropriate location pursuant to this section, the qualified person shall cause child protective services to be notified within twenty-four hours after receipt of

such a newborn. Child protective services shall assume custody of the newborn within twenty-four hours after receipt of notification.

(d) A federally designated rural health clinic is not required to provide ongoing medical care of a transferred newborn beyond that already required by law and may transfer the newborn to a hospital licensed under chapter 70.41 RCW. The federally designated rural health clinic shall notify child protective services of the transfer of the newborn to the hospital.

(e) A hospital, federally designated rural health clinic, or fire station, its employees, volunteers, and medical staff are immune from any criminal or civil liability for accepting or receiving a newborn under this section.

(4)(a) Beginning July 1, 2011, an appropriate location shall post a sign indicating that the location is an appropriate place for the safe and legal transfer of a newborn.

(b) To cover the costs of acquiring and placing signs, appropriate locations may accept nonpublic funds and donations.

(5) The department shall collect and compile information concerning the number of newborns transferred under this section after the effective date of this section. The department shall report its findings to the public annually, which may be on its web site, beginning July 31, 2018.

Passed by the Senate March 5, 2018.

Passed by the House February 27, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 183

[Senate Bill 5598]

CHILD VISITATION--RELATIVES--GRANDPARENTS

AN ACT Relating to granting relatives, including but not limited to grandparents, the right to seek visitation with a child through the courts; amending RCW 26.10.160; adding a new chapter to Title 26 RCW; and repealing RCW 26.09.240.

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) "Parent" means a legal parent whose rights have not been terminated, relinquished, or declared not to exist.

"(2)(a) "Relative" means:

(i) Any blood relative, including those of half-blood, and including first cousins, second cousins, nephews or nieces, and persons of preceding generations as denoted by prefixes of grand, great, or great-great;

(ii) Stepfather, stepmother, stepbrother, and stepsister;

(iii) A person who legally adopts a child or the child's parent as well as the biological and other legally adopted children of such persons, and other relatives of the adoptive parents in accordance with state law;

(iv) Spouses of any persons named in (a)(i), (ii), or (iii) of this subsection, even after the marriage is terminated;

(v) Relatives, as named in (a)(i), (ii), or (iii) of this subsection, of any half sibling of the child; or

(vi) Extended family members, as defined by the law or custom of an Indian child's tribe or, in the absence of such law or custom, a person who has reached the age of eighteen and who is the Indian child's grandparent, aunt or uncle, brother or sister, brother-in-law or sister-in-law, niece or nephew, first or second cousin, or stepparent who provides care in the family abode on a twenty-four hour basis to an Indian child as defined in 25 U.S.C. Sec. 1903(4).

(b) "Relative" does not include a person whose parental rights have been terminated, relinquished, or determined not to exist with respect to a child who is the subject of a petition under this chapter.

NEW SECTION. Sec. 2. (1) A person who is not the parent of the child may petition for visitation with the child if:

(a) The petitioner has an ongoing and substantial relationship with the child;

(b) The petitioner is a relative of the child or a parent of the child; and

(c) The child is likely to suffer harm or a substantial risk of harm if visitation is denied.

(2) A person has established an ongoing and substantial relationship with a child if the person and the child have had a relationship formed and sustained through interaction, companionship, and mutuality of interest and affection, without expectation of financial compensation, with substantial continuity for at least two years unless the child is under the age of two years, in which case there must be substantial continuity for at least half of the child's life, and with a shared expectation of and desire for an ongoing relationship.

NEW SECTION. Sec. 3. (1) If a court has jurisdiction over the child pursuant to chapter 26.27 RCW, a petition for visitation under section 2 of this act must be filed with that court.

(2) Except as otherwise provided in subsection (1) of this section, if a court has exclusive original jurisdiction over the child under RCW 13.04.030(1) (a) through (d), (h), or (j), a petition for visitation under section 2 of this act must be filed with that court. Granting of a petition for visitation under this chapter does not entitle the petitioner to party status in a child custody proceeding under Title 13 RCW.

(3) Except as otherwise provided in subsections (1) and (2) of this section, a petition for visitation under section 2 of this act must be filed in the county where the child primarily resides.

(4) The petitioner may not file a petition for visitation more than once.

(5) The petitioner must file with the petition an affidavit alleging that:

(a) A relationship with the child that satisfies the requirements of section 2 of this act exists or existed before action by the respondent; and

(b) The child would likely suffer harm or the substantial risk of harm if visitation between the petitioner and child was not granted.

(6) The petitioner shall set forth facts in the affidavit supporting the petitioner's requested order for visitation.

(7) The petitioner shall serve notice of the filing to each person having legal custody of, or court-ordered residential time with, the child. A person having legal custody or residential time with the child may file an opposing affidavit.

(8) If, based on the petition and affidavits, the court finds that it is more likely than not that visitation will be granted, the court shall hold a hearing.

(9) The court may not enter any temporary orders to establish, enforce, or modify visitation under this section.

NEW SECTION. Sec. 4. (1)(a) At a hearing pursuant to section 3(8) of this act, the court shall enter an order granting visitation if it finds that the child would likely suffer harm or the substantial risk of harm if visitation between the petitioner and the child is not granted and that granting visitation between the child and the petitioner is in the best interest of the child.

(b) An order granting visitation does not confer upon the petitioner the rights and duties of a parent.

(2) In making its determination, the court shall consider the respondent's reasons for denying visitation. It is presumed that a fit parent's decision to deny visitation is in the best interest of the child and does not create a likelihood of harm or a substantial risk of harm to the child.

(3) To rebut the presumption in subsection (2) of this section, the petitioner must prove by clear and convincing evidence that the child would likely suffer harm or the substantial risk of harm if visitation between the petitioner and the child were not granted.

(4) If the court finds that the petitioner has met the standard for rebutting the presumption in subsection (2) of this section, or if there is no presumption because no parent has custody of the child, the court shall consider whether it is in the best interest of the child to enter an order granting visitation. The petitioner must prove by clear and convincing evidence that visitation is in the child's best interest. In determining whether it is in the best interest of the child, the court shall consider the following, nonexclusive factors:

(a) The love, affection, and strength of the current relationship between the child and the petitioner and how the relationship is beneficial to the child;

(b) The length and quality of the prior relationship between the child and the petitioner before the respondent denied visitation, including the role performed by the petitioner and the emotional ties that existed between the child and the petitioner;

(c) The relationship between the petitioner and the respondent;

(d) The love, affection, and strength of the current relationship between the child and the respondent;

(e) The nature and reason for the respondent's objection to granting the petitioner visitation;

(f) The effect that granting visitation will have on the relationship between the child and the respondent;

(g) The residential time-sharing arrangements between the parties having residential time with the child;

(h) The good faith of the petitioner and respondent;

(i) Any history of physical, emotional, or sexual abuse or neglect by the petitioner, or any history of physical, emotional, or sexual abuse or neglect by a person residing with the petitioner if visitation would involve contact between the child and the person with such history;

(j) The child's reasonable preference, if the court considers the child to be of sufficient age to express a preference;

(k) Any other factor relevant to the child's best interest; and

(l) The fact that the respondent has not lost his or her parental rights by being adjudicated as an unfit parent.

NEW SECTION. Sec. 5. (1)(a) For the purposes of sections 2 through 4 of this act, the court shall, on motion of the respondent, order the petitioner to pay a reasonable amount for costs and reasonable attorneys' fees to the respondent in advance and prior to any hearing, unless the court finds, considering the financial resources of all parties, that it would be unjust to do so.

(b) Regardless of the financial resources of the parties, if the court finds that a petition for visitation was brought in bad faith or without reasonable basis in light of the requirements of sections 2 through 4 of this act, the court shall order the petitioner to pay a reasonable amount for costs and reasonable attorneys' fees to the respondent.

(2) If visitation is granted, the court shall order the petitioner to pay all transportation costs associated with visitation.

NEW SECTION. Sec. 6. (1) A court may not modify or terminate an order granting visitation under section 4 of this act unless it finds, on the basis of facts that have arisen since the entry of the order or were unknown to the court at the time it entered the order, that a substantial change of circumstances has occurred in the circumstances of the child or nonmoving party and that modification or termination of the order is necessary for the best interest of the child.

(2)(a) If a court has jurisdiction over the child pursuant to chapter 26.27 RCW, a petition for modification or termination under this section must be filed with that court.

(b) Except as otherwise provided in (a) of this subsection, if a court has exclusive original jurisdiction over the child under RCW 13.04.030(1) (a) through (d), (h), or (j), a petition for modification or termination under this section must be filed with that court.

(c) Except as otherwise provided in (a) or (b) of this subsection, a petition for modification or termination under this section must be filed in the county where the child primarily resides.

(3) The petitioner must file with the petition an affidavit alleging that, on the basis of facts that have arisen since the entry of the order or were unknown to the court at the time it entered the order, there is a substantial change of circumstances of the child or nonmoving party and that modification or termination of the order is necessary for the best interest of the child. The petitioner shall set forth facts in the affidavit supporting the petitioner's requested order.

(4) The petitioner shall serve notice of the petition to each person having legal custody of, or court-ordered residential time or court-ordered visitation with, the child. A person having legal custody or residential or visitation time with the child may file an opposing affidavit.

(5) If, based on the petition and affidavits, the court finds that it is more likely than not that a modification or termination will be granted, the court shall hold a hearing.

(6) The court may award reasonable attorneys' fees and costs to either party.

Sec. 7. RCW 26.10.160 and 2011 c 89 s 7 are each amended to read as follows:

(1) A parent not granted custody of the child is entitled to reasonable visitation rights except as provided in subsection (2) of this section.

(2)(a) Visitation with the child shall be limited if it is found that the parent seeking visitation has engaged in any of the following conduct: (i) Willful abandonment that continues for an extended period of time or substantial refusal to perform parenting functions; (ii) physical, sexual, or a pattern of emotional abuse of a child; (iii) a history of acts of domestic violence as defined in RCW 26.50.010(~~((+))~~) (3) or an assault or sexual assault which causes grievous bodily harm or the fear of such harm; or (iv) the parent has been convicted as an adult of a sex offense under:

(A) RCW 9A.44.076 if, because of the difference in age between the offender and the victim, no rebuttable presumption exists under (d) of this subsection;

(B) RCW 9A.44.079 if, because of the difference in age between the offender and the victim, no rebuttable presumption exists under (d) of this subsection;

(C) RCW 9A.44.086 if, because of the difference in age between the offender and the victim, no rebuttable presumption exists under (d) of this subsection;

(D) RCW 9A.44.089;

(E) RCW 9A.44.093;

(F) RCW 9A.44.096;

(G) RCW 9A.64.020 (1) or (2) if, because of the difference in age between the offender and the victim, no rebuttable presumption exists under (d) of this subsection;

(H) Chapter 9.68A RCW;

(I) Any predecessor or antecedent statute for the offenses listed in (a)(iv)(A) through (H) of this subsection;

(J) Any statute from any other jurisdiction that describes an offense analogous to the offenses listed in (a)(iv)(A) through (H) of this subsection.

This subsection (2)(a) shall not apply when (c) or (d) of this subsection applies.

(b) The parent's visitation with the child shall be limited if it is found that the parent resides with a person who has engaged in any of the following conduct: (i) Physical, sexual, or a pattern of emotional abuse of a child; (ii) a history of acts of domestic violence as defined in RCW 26.50.010(~~((+))~~) (3) or an assault or sexual assault that causes grievous bodily harm or the fear of such harm; or (iii) the person has been convicted as an adult or as a juvenile has been adjudicated of a sex offense under:

(A) RCW 9A.44.076 if, because of the difference in age between the offender and the victim, no rebuttable presumption exists under (e) of this subsection;

(B) RCW 9A.44.079 if, because of the difference in age between the offender and the victim, no rebuttable presumption exists under (e) of this subsection;

(C) RCW 9A.44.086 if, because of the difference in age between the offender and the victim, no rebuttable presumption exists under (e) of this subsection;

(D) RCW 9A.44.089;

(E) RCW 9A.44.093;

(F) RCW 9A.44.096;

(G) RCW 9A.64.020 (1) or (2) if, because of the difference in age between the offender and the victim, no rebuttable presumption exists under (e) of this subsection;

(H) Chapter 9.68A RCW;

(I) Any predecessor or antecedent statute for the offenses listed in (b)(iii)(A) through (H) of this subsection;

(J) Any statute from any other jurisdiction that describes an offense analogous to the offenses listed in (b)(iii)(A) through (H) of this subsection.

This subsection (2)(b) shall not apply when (c) or (e) of this subsection applies.

(c) If a parent has been found to be a sexual predator under chapter 71.09 RCW or under an analogous statute of any other jurisdiction, the court shall restrain the parent from contact with a child that would otherwise be allowed under this chapter. If a parent resides with an adult or a juvenile who has been found to be a sexual predator under chapter 71.09 RCW or under an analogous statute of any other jurisdiction, the court shall restrain the parent from contact with the parent's child except contact that occurs outside that person's presence.

(d) There is a rebuttable presumption that a parent who has been convicted as an adult of a sex offense listed in (d)(i) through (ix) of this subsection poses a present danger to a child. Unless the parent rebuts this presumption, the court shall restrain the parent from contact with a child that would otherwise be allowed under this chapter:

(i) RCW 9A.64.020 (1) or (2), provided that the person convicted was at least five years older than the other person;

(ii) RCW 9A.44.073;

(iii) RCW 9A.44.076, provided that the person convicted was at least eight years older than the victim;

(iv) RCW 9A.44.079, provided that the person convicted was at least eight years older than the victim;

(v) RCW 9A.44.083;

(vi) RCW 9A.44.086, provided that the person convicted was at least eight years older than the victim;

(vii) RCW 9A.44.100;

(viii) Any predecessor or antecedent statute for the offenses listed in (d)(i) through (vii) of this subsection;

(ix) Any statute from any other jurisdiction that describes an offense analogous to the offenses listed in (d)(i) through (vii) of this subsection.

(e) There is a rebuttable presumption that a parent who resides with a person who, as an adult, has been convicted, or as a juvenile has been adjudicated, of the sex offenses listed in (e)(i) through (ix) of this subsection places a child at risk of abuse or harm when that parent exercises visitation in the presence of the convicted or adjudicated person. Unless the parent rebuts the presumption, the court shall restrain the parent from contact with the parent's child except for contact that occurs outside of the convicted or adjudicated person's presence:

(i) RCW 9A.64.020 (1) or (2), provided that the person convicted was at least five years older than the other person;

(ii) RCW 9A.44.073;

(iii) RCW 9A.44.076, provided that the person convicted was at least eight years older than the victim;

(iv) RCW 9A.44.079, provided that the person convicted was at least eight years older than the victim;

(v) RCW 9A.44.083;

(vi) RCW 9A.44.086, provided that the person convicted was at least eight years older than the victim;

(vii) RCW 9A.44.100;

(viii) Any predecessor or antecedent statute for the offenses listed in (e)(i) through (vii) of this subsection;

(ix) Any statute from any other jurisdiction that describes an offense analogous to the offenses listed in (e)(i) through (vii) of this subsection.

(f) The presumption established in (d) of this subsection may be rebutted only after a written finding that:

(i) If the child was not the victim of the sex offense committed by the parent requesting visitation, (A) contact between the child and the offending parent is appropriate and poses minimal risk to the child, and (B) the offending parent has successfully engaged in treatment for sex offenders or is engaged in and making progress in such treatment, if any was ordered by a court, and the treatment provider believes such contact is appropriate and poses minimal risk to the child; or

(ii) If the child was the victim of the sex offense committed by the parent requesting visitation, (A) contact between the child and the offending parent is appropriate and poses minimal risk to the child, (B) if the child is in or has been in therapy for victims of sexual abuse, the child's counselor believes such contact between the child and the offending parent is in the child's best interest, and (C) the offending parent has successfully engaged in treatment for sex offenders or is engaged in and making progress in such treatment, if any was ordered by a court, and the treatment provider believes such contact is appropriate and poses minimal risk to the child.

(g) The presumption established in (e) of this subsection may be rebutted only after a written finding that:

(i) If the child was not the victim of the sex offense committed by the person who is residing with the parent requesting visitation, (A) contact between the child and the parent residing with the convicted or adjudicated person is appropriate and that parent is able to protect the child in the presence of the convicted or adjudicated person, and (B) the convicted or adjudicated person has successfully engaged in treatment for sex offenders or is engaged in and making progress in such treatment, if any was ordered by a court, and the treatment provider believes such contact is appropriate and poses minimal risk to the child; or

(ii) If the child was the victim of the sex offense committed by the person who is residing with the parent requesting visitation, (A) contact between the child and the parent in the presence of the convicted or adjudicated person is appropriate and poses minimal risk to the child, (B) if the child is in or has been in therapy for victims of sexual abuse, the child's counselor believes such contact between the child and the parent residing with the convicted or adjudicated person in the presence of the convicted or adjudicated person is in the child's best interest, and (C) the convicted or adjudicated person has successfully engaged in treatment for sex offenders or is engaged in and making progress in such treatment, if any was ordered by a court, and the treatment provider

believes contact between the parent and child in the presence of the convicted or adjudicated person is appropriate and poses minimal risk to the child.

(h) If the court finds that the parent has met the burden of rebutting the presumption under (f) of this subsection, the court may allow a parent who has been convicted as an adult of a sex offense listed in (d)(i) through (ix) of this subsection to have visitation with the child supervised by a neutral and independent adult and pursuant to an adequate plan for supervision of such visitation. The court shall not approve of a supervisor for contact between the child and the parent unless the court finds, based on the evidence, that the supervisor is willing and capable of protecting the child from harm. The court shall revoke court approval of the supervisor upon finding, based on the evidence, that the supervisor has failed to protect the child or is no longer willing or capable of protecting the child.

(i) If the court finds that the parent has met the burden of rebutting the presumption under (g) of this subsection, the court may allow a parent residing with a person who has been adjudicated as a juvenile of a sex offense listed in (e)(i) through (ix) of this subsection to have visitation with the child in the presence of the person adjudicated as a juvenile, supervised by a neutral and independent adult and pursuant to an adequate plan for supervision of such visitation. The court shall not approve of a supervisor for contact between the child and the parent unless the court finds, based on the evidence, that the supervisor is willing and capable of protecting the child from harm. The court shall revoke court approval of the supervisor upon finding, based on the evidence, that the supervisor has failed to protect the child or is no longer willing or capable of protecting the child.

(j) If the court finds that the parent has met the burden of rebutting the presumption under (g) of this subsection, the court may allow a parent residing with a person who, as an adult, has been convicted of a sex offense listed in (e)(i) through (ix) of this subsection to have visitation with the child in the presence of the convicted person supervised by a neutral and independent adult and pursuant to an adequate plan for supervision of such visitation. The court shall not approve of a supervisor for contact between the child and the parent unless the court finds, based on the evidence, that the supervisor is willing and capable of protecting the child from harm. The court shall revoke court approval of the supervisor upon finding, based on the evidence, that the supervisor has failed to protect the child or is no longer willing or capable of protecting the child.

(k) A court shall not order unsupervised contact between the offending parent and a child of the offending parent who was sexually abused by that parent. A court may order unsupervised contact between the offending parent and a child who was not sexually abused by the parent after the presumption under (d) of this subsection has been rebutted and supervised visitation has occurred for at least two years with no further arrests or convictions of sex offenses involving children under chapter 9A.44 RCW, RCW 9A.64.020, or chapter 9.68A RCW and (i) the sex offense of the offending parent was not committed against a child of the offending parent, and (ii) the court finds that unsupervised contact between the child and the offending parent is appropriate and poses minimal risk to the child, after consideration of the testimony of a state-certified therapist, mental health counselor, or social worker with expertise in treating child sexual abuse victims who has supervised at least one period of

visitation between the parent and the child, and after consideration of evidence of the offending parent's compliance with community supervision requirements, if any. If the offending parent was not ordered by a court to participate in treatment for sex offenders, then the parent shall obtain a psychosexual evaluation conducted by a certified sex offender treatment provider or a certified affiliate sex offender treatment provider indicating that the offender has the lowest likelihood of risk to reoffend before the court grants unsupervised contact between the parent and a child.

(l) A court may order unsupervised contact between the parent and a child which may occur in the presence of a juvenile adjudicated of a sex offense listed in (e)(i) through (ix) of this subsection who resides with the parent after the presumption under (e) of this subsection has been rebutted and supervised visitation has occurred for at least two years during which time the adjudicated juvenile has had no further arrests, adjudications, or convictions of sex offenses involving children under chapter 9A.44 RCW, RCW 9A.64.020, or chapter 9.68A RCW, and (i) the court finds that unsupervised contact between the child and the parent that may occur in the presence of the adjudicated juvenile is appropriate and poses minimal risk to the child, after consideration of the testimony of a state-certified therapist, mental health counselor, or social worker with expertise in treatment of child sexual abuse victims who has supervised at least one period of visitation between the parent and the child in the presence of the adjudicated juvenile, and after consideration of evidence of the adjudicated juvenile's compliance with community supervision or parole requirements, if any. If the adjudicated juvenile was not ordered by a court to participate in treatment for sex offenders, then the adjudicated juvenile shall obtain a psychosexual evaluation conducted by a certified sex offender treatment provider or a certified affiliate sex offender treatment provider indicating that the adjudicated juvenile has the lowest likelihood of risk to reoffend before the court grants unsupervised contact between the parent and a child which may occur in the presence of the adjudicated juvenile who is residing with the parent.

(m)(i) The limitations imposed by the court under (a) or (b) of this subsection shall be reasonably calculated to protect the child from the physical, sexual, or emotional abuse or harm that could result if the child has contact with the parent requesting visitation. If the court expressly finds based on the evidence that limitations on visitation with the child will not adequately protect the child from the harm or abuse that could result if the child has contact with the parent requesting visitation, the court shall restrain the person seeking visitation from all contact with the child.

(ii) The court shall not enter an order under (a) of this subsection allowing a parent to have contact with a child if the parent has been found by clear and convincing evidence in a civil action or by a preponderance of the evidence in a dependency action to have sexually abused the child, except upon recommendation by an evaluator or therapist for the child that the child is ready for contact with the parent and will not be harmed by the contact. The court shall not enter an order allowing a parent to have contact with the child in the offender's presence if the parent resides with a person who has been found by clear and convincing evidence in a civil action or by a preponderance of the evidence in a dependency action to have sexually abused a child, unless the court finds that the parent accepts that the person engaged in the harmful conduct and

the parent is willing to and capable of protecting the child from harm from the person.

(iii) If the court limits visitation under (a) or (b) of this subsection to require supervised contact between the child and the parent, the court shall not approve of a supervisor for contact between a child and a parent who has engaged in physical, sexual, or a pattern of emotional abuse of the child unless the court finds based upon the evidence that the supervisor accepts that the harmful conduct occurred and is willing to and capable of protecting the child from harm. The court shall revoke court approval of the supervisor upon finding, based on the evidence, that the supervisor has failed to protect the child or is no longer willing to or capable of protecting the child.

(n) If the court expressly finds based on the evidence that contact between the parent and the child will not cause physical, sexual, or emotional abuse or harm to the child and that the probability that the parent's or other person's harmful or abusive conduct will recur is so remote that it would not be in the child's best interests to apply the limitations of (a), (b), and (m)(i) and (iii) of this subsection, or if the court expressly finds that the parent's conduct did not have an impact on the child, then the court need not apply the limitations of (a), (b), and (m)(i) and (iii) of this subsection. The weight given to the existence of a protection order issued under chapter 26.50 RCW as to domestic violence is within the discretion of the court. This subsection shall not apply when (c), (d), (e), (f), (g), (h), (i), (j), (k), (l), and (m)(ii) of this subsection apply.

~~(3) ((Any person may petition the court for visitation rights at any time including, but not limited to, custody proceedings. The court may order visitation rights for any person when visitation may serve the best interest of the child whether or not there has been any change of circumstances.~~

(4)) The court may modify an order granting or denying visitation rights whenever modification would serve the best interests of the child. Modification of a parent's visitation rights shall be subject to the requirements of subsection (2) of this section.

~~((5))~~ (4) For the purposes of this section:

(a) "A parent's child" means that parent's natural child, adopted child, or stepchild; and

(b) "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.

NEW SECTION. Sec. 8. RCW 26.09.240 (Visitation rights—Person other than parent—Grandparents' visitation rights) and 1996 c 177 s 1, 1989 c 375 s 13, 1987 c 460 s 18, 1977 ex.s. c 271 s 1, & 1973 1st ex.s. c 157 s 24 are each repealed.

NEW SECTION. Sec. 9. Sections 1 through 6 of this act constitute a new chapter in Title 26 RCW.

Passed by the Senate March 6, 2018.

Passed by the House March 2, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 184

[Engrossed Substitute Senate Bill 5990]

UNIFORM EMERGENCY VOLUNTEER HEALTH PRACTITIONERS ACT

AN ACT Relating to the uniform emergency volunteer health practitioners act; and adding a new chapter to Title 70 RCW.

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

NEW SECTION. Sec. 1. SHORT TITLE. This chapter may be known and cited as the uniform emergency volunteer health practitioners act.

NEW SECTION. Sec. 2. DEFINITIONS. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

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

(2) "Disaster relief organization" means an entity that provides emergency or disaster relief services that include health or veterinary services provided by volunteer health practitioners and that:

(a) Is designated or recognized as a provider of those services pursuant to a disaster response and recovery plan adopted by an agency of the federal government or the department; or

(b) Regularly plans and conducts its activities in coordination with an agency of the federal government or the department.

(3) "Emergency" means an event or condition that is an emergency, disaster, or public health emergency under chapter 38.52 RCW.

(4) "Emergency declaration" means a proclamation of a state of emergency issued by the governor under RCW 43.06.010.

(5) "Emergency management assistance compact" means the interstate compact approved by congress by P.L. 104-321, 110 Stat. 3877, RCW 38.10.010.

(6) "Entity" means a person other than an individual.

(7) "Health facility" means an entity licensed under the laws of this or another state to provide health or veterinary services.

(8) "Health practitioner" means an individual licensed under the laws of this or another state to provide health or veterinary services.

(9) "Health services" means the provision of treatment, care, advice or guidance, or other services, or supplies, related to the health or death of individuals or human populations, to the extent necessary to respond to an emergency, including:

(a) The following, concerning the physical or mental condition or functional status of an individual or affecting the structure or function of the body:

(i) Preventive, diagnostic, therapeutic, rehabilitative, maintenance, or palliative care; and

(ii) Counseling, assessment, procedures, or other services;

(b) Sale or dispensing of a drug, a device, equipment, or another item to an individual in accordance with a prescription; and

(c) Funeral, cremation, cemetery, or other mortuary services.

(10) "Host entity" means an entity operating in this state which uses volunteer health practitioners to respond to an emergency.

(11) "License" means authorization by a state to engage in health or veterinary services that are unlawful without the authorization. The term includes authorization under the laws of this state to an individual to provide

health or veterinary services based upon a national certification issued by a public or private entity.

(12) "Person" means an individual, corporation, business trust, trust, partnership, limited liability company, association, joint venture, public corporation, government or governmental subdivision, agency, or instrumentality, or any other legal or commercial entity.

(13) "Scope of practice" means the extent of the authorization to provide health or veterinary services granted to a health practitioner by a license issued to the practitioner in the state in which the principal part of the practitioner's services are rendered, including any conditions imposed by the licensing authority.

(14) "State" means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States.

(15) "Veterinary services" means the provision of treatment, care, advice or guidance, or other services, or supplies, related to the health or death of an animal or to animal populations, to the extent necessary to respond to an emergency, including:

(a) Diagnosis, treatment, or prevention of an animal disease, injury, or other physical or mental condition by the prescription, administration, or dispensing of vaccine, medicine, surgery, or therapy;

(b) Use of a procedure for reproductive management; and

(c) Monitoring and treatment of animal populations for diseases that have spread or demonstrate the potential to spread to humans.

(16) "Volunteer health practitioner" means a health practitioner who provides health or veterinary services, whether or not the practitioner receives compensation for those services. The term does not include a practitioner who receives compensation pursuant to a preexisting employment relationship with a host entity or affiliate which requires the practitioner to provide health services in this state, unless the practitioner is not a resident of this state and is employed by a disaster relief organization providing services in this state while an emergency declaration is in effect.

NEW SECTION. Sec. 3. APPLICABILITY TO VOLUNTEER HEALTH PRACTITIONERS. This chapter applies to volunteer health practitioners registered with a registration system that complies with section 5 of this act and who provide health or veterinary services in this state for a host entity while an emergency declaration is in effect.

NEW SECTION. Sec. 4. REGULATION OF SERVICES DURING EMERGENCY. (1) While an emergency declaration is in effect, the department may limit, restrict, or otherwise regulate:

(a) The duration of practice by volunteer health practitioners;

(b) The geographical areas in which volunteer health practitioners may practice;

(c) The types of volunteer health practitioners who may practice; and

(d) Any other matters necessary to coordinate effectively the provision of health or veterinary services during the emergency.

(2) An order issued pursuant to subsection (1) of this section may take effect immediately, without prior notice or comment, and is not a rule within the meaning of the administrative procedure act, chapter 34.05 RCW.

(3) A host entity that uses volunteer health practitioners to provide health or veterinary services in this state shall:

(a) Consult and coordinate its activities with the department to the extent practicable to provide for the efficient and effective use of volunteer health practitioners; and

(b) Comply with any laws other than this chapter relating to the management of emergency health or veterinary services.

NEW SECTION. Sec. 5. VOLUNTEER HEALTH PRACTITIONER REGISTRATION SYSTEMS. (1) To qualify as a volunteer health practitioner registration system, a system must:

(a) Accept applications for the registration of volunteer health practitioners before or during an emergency;

(b) Include information about the licensure and good standing of health practitioners which is accessible by authorized persons;

(c) Be capable of confirming the accuracy of information concerning whether a health practitioner is licensed and in good standing before health services or veterinary services are provided under this chapter; and

(d) Meet one of the following conditions:

(i) Be an emergency system for advance registration of volunteer health care practitioners established by a state and funded through the United States department of health and human services under section 319I of the public health services act, 42 U.S.C. Sec. 247d-7b, as it existed 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;

(ii) Be a local unit consisting of trained and equipped emergency response, public health, and medical personnel formed pursuant to section 2801 of the public health services act, 42 U.S.C. Sec. 300hh, as it existed 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;

(iii) Be operated by a:

(A) Disaster relief organization;

(B) Licensing board;

(C) National or regional association of licensing boards or health practitioners;

(D) Health facility that provides comprehensive inpatient and outpatient healthcare services, including a tertiary care, teaching hospital, or acute care facility; or

(E) Governmental entity; or

(iv) Be designated by the department as a registration system for purposes of this chapter.

(2) While an emergency declaration is in effect, the department, a person authorized to act on behalf of the department, or a host entity may confirm whether volunteer health practitioners utilized in this state are registered with a registration system that complies with subsection (1) of this section. Confirmation is limited to obtaining identities of the practitioners from the

system and determining whether the system indicates that the practitioners are licensed and in good standing.

(3) Upon request of a person in this state authorized under subsection (2) of this section, or a similarly authorized person in another state, a registration system located in this state shall notify the person of the identities of volunteer health practitioners and whether the practitioners are licensed and in good standing.

(4) A host entity is not required to use the services of a volunteer health practitioner even if the practitioner is registered with a registration system that indicates that the practitioner is licensed and in good standing.

NEW SECTION. Sec. 6. RECOGNITION OF VOLUNTEER HEALTH PRACTITIONERS LICENSED IN OTHER STATES. (1) While an emergency declaration is in effect, a volunteer health practitioner, registered with a registration system that complies with section 5 of this act and licensed and in good standing in the state upon which the practitioner's registration is based, may practice in this state to the extent authorized by this chapter as if the practitioner were licensed in this state.

(2) A volunteer health practitioner qualified under subsection (1) of this section is not entitled to the protections of this chapter if the practitioner is licensed in more than one state and any license of the practitioner is suspended, revoked, or subject to an agency order limiting or restricting practice privileges, or has been voluntarily terminated under threat of sanction.

NEW SECTION. Sec. 7. NO EFFECT ON CREDENTIALING AND PRIVILEGING. (1) As used in this section:

(a) "Credentialing" means obtaining, verifying, and assessing the qualifications of a health practitioner to provide treatment, care, or services in or for a health facility.

(b) "Privileging" means the authorizing by an appropriate authority, such as a governing body, of a health practitioner to provide specific treatment, care, or services at a health facility subject to limits based on factors that include license, education, training, experience, competence, health status, and specialized skill.

(2) This chapter does not affect credentialing or privileging standards of a health facility and does not preclude a health facility from waiving or modifying those standards while an emergency declaration is in effect.

NEW SECTION. Sec. 8. PROVISION OF VOLUNTEER HEALTH OR VETERINARY SERVICES—ADMINISTRATIVE SANCTIONS. (1) Subject to subsections (2) and (3) of this section, a volunteer health practitioner shall adhere to the scope of practice for a similarly licensed practitioner established by the licensing provisions, practice acts, or other laws of this state.

(2) Except as otherwise provided in subsection (3) of this section, this chapter does not authorize a volunteer health practitioner to provide services that are outside the practitioner's scope of practice, even if a similarly licensed practitioner in this state would be permitted to provide the services.

(3) The department may modify or restrict the health or veterinary services that volunteer health practitioners may provide pursuant to this chapter. An order under this subsection may take effect immediately, without prior notice or comment, and is not a rule within the meaning of the administrative procedure act, chapter 34.05 RCW.

(4) A host entity may restrict the health or veterinary services that a volunteer health practitioner may provide pursuant to this chapter.

(5) A volunteer health practitioner does not engage in unauthorized practice unless the practitioner has reason to know of any limitation, modification, or restriction under this section or that a similarly licensed practitioner in this state would not be permitted to provide the services. A volunteer health practitioner has reason to know of a limitation, modification, or restriction or that a similarly licensed practitioner in this state would not be permitted to provide a service if:

(a) The practitioner knows the limitation, modification, or restriction exists or that a similarly licensed practitioner in this state would not be permitted to provide the service; or

(b) From all the facts and circumstances known to the practitioner at the relevant time, a reasonable person would conclude that the limitation, modification, or restriction exists or that a similarly licensed practitioner in this state would not be permitted to provide the service.

(6) In addition to the authority granted by law of this state other than this chapter to regulate the conduct of health practitioners, a licensing board or other disciplinary authority in this state:

(a) May impose administrative sanctions upon a health practitioner licensed in this state for conduct outside of this state in response to an out-of-state emergency;

(b) May impose administrative sanctions upon a practitioner not licensed in this state for conduct in this state in response to an in-state emergency; and

(c) Shall report any administrative sanctions imposed upon a practitioner licensed in another state to the appropriate licensing board or other disciplinary authority in any other state in which the practitioner is known to be licensed.

(7) In determining whether to impose administrative sanctions under subsection (6) of this section, a licensing board or other disciplinary authority shall consider the circumstances in which the conduct took place, including any exigent circumstances, and the practitioner's scope of practice, education, training, experience, and specialized skill.

NEW SECTION. Sec. 9. RELATION TO OTHER LAWS. (1) This chapter does not limit rights, privileges, or immunities provided to volunteer health practitioners by laws other than this chapter. Except as otherwise provided in subsection (2) of this section, this chapter does not affect requirements for the use of health practitioners pursuant to the emergency management assistance compact or the pacific northwest emergency management arrangement approved by congress by P.L. 105-381, 112 Stat. 3402.

(2) The department, pursuant to the emergency management assistance compact or the pacific northwest emergency management arrangement approved by congress by P.L. 105-381, 112 Stat. 3402, may incorporate into the emergency forces of this state volunteer health practitioners who are not officers or employees of this state, a political subdivision of this state, or a municipality or other local government within this state.

NEW SECTION. Sec. 10. REGULATORY AUTHORITY. The department may promulgate rules to implement this chapter. In doing so, the department shall consult with and consider the recommendations of the state military department as the agency established to carry out the state's program for

emergency management, and coordinate the implementation of the emergency management assistance compact with the state military department to ensure conformity with the state's program for emergency management and the coordination of all response activities through the state's emergency operations center during a state of emergency. The department shall also consult with and consider rules promulgated by similarly empowered agencies in other states to promote uniformity of application of this chapter and make the emergency response systems in the various states reasonably compatible.

NEW SECTION. Sec. 11. WORKERS' COMPENSATION COVERAGE.

(1) A volunteer health practitioner who dies or is injured as the result of providing health or veterinary services pursuant to this chapter is deemed to be an employee of this state for the purpose of receiving benefits for the death or injury under the workers' compensation law of this state, Title 51 RCW, if:

(a) The practitioner is not otherwise eligible for such benefits for the injury or death under the law of this or another state; and

(b) The practitioner, or in the case of death the practitioner's personal representative, elects coverage under the workers' compensation law of this state, Title 51 RCW, by making a claim under that law.

(2) The department in consultation with the department of labor and industries shall adopt rules, enter into agreements with other states, or take other measures to facilitate the receipt of benefits for injury or death under the workers' compensation law of this state, Title 51 RCW, by volunteer health practitioners who reside in other states, and may waive or modify requirements for filing, processing, and paying claims that unreasonably burden the practitioners. To promote uniformity of application of this chapter with other states that enact similar legislation, the department shall consult with and consider the practices for filing, processing, and paying claims by agencies with similar authority in other states.

(3) For the purposes of this section, "injury" means a physical or mental injury or disease for which an employee of this state who is injured or contracts the disease in the course of the employee's employment would be entitled to benefits under the workers' compensation law of this state, Title 51 RCW.

NEW SECTION. Sec. 12. LIABILITY. (1) No act or omission, except those acts or omissions constituting gross negligence or willful or wanton misconduct, by a volunteer health practitioner registered and providing services within the provisions of this chapter shall impose any liability for civil damages resulting from such an act or omission upon:

(a) The emergency volunteer health practitioner;

(b) The supervisor or supervisors of the emergency volunteer health practitioner;

(c) Any facility or their officers or employees;

(d) The employer of the emergency volunteer health practitioner;

(e) The owner of the property or vehicle where the act or omission may have occurred;

(f) Any organization that registered the emergency volunteer health practitioner under the provisions of this chapter;

(g) The state or any state or local governmental entity; or

(h) Any professional or trade association of the emergency volunteer health practitioner.

(2) A person that, pursuant to this chapter, operates, uses, or relies upon information provided by a volunteer health practitioner registration system is not liable for damages for an act or omission relating to that operation, use, or reliance unless the act or omission constitutes gross negligence, an intentional tort, or willful or wanton misconduct.

NEW SECTION. **Sec. 13.** UNIFORMITY OF APPLICATION AND CONSTRUCTION. In applying and construing this uniform act, consideration must be given to the need to promote uniformity of the law with respect to its subject matter among states that enact it.

NEW SECTION. **Sec. 14.** Sections 1 through 13 of this act constitute a new chapter in Title 70 RCW.

Passed by the Senate February 7, 2018.

Passed by the House March 2, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 185

[Senate Bill 6024]

DEPARTMENT OF FINANCIAL INSTITUTIONS SECURITIES DIVISION--FEES

AN ACT Relating to the disposition of certain fees collected by the department of financial institutions for the securities division; and amending RCW 21.20.340 and 43.320.110.

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

Sec. 1. RCW 21.20.340 and 2016 c 61 s 10 are each amended to read as follows:

Except as provided in subsection (15) of this section, the following fees shall be paid in advance under the provisions of this chapter:

(1)(a) For registration of securities by qualification, the fee shall be one hundred dollars for the first one hundred thousand dollars of initial issue, or portion thereof in this state, based on offering price, plus one-twentieth of one percent for any excess over one hundred thousand dollars which are to be offered during that year: PROVIDED, HOWEVER, That an issuer may upon the payment of a fifty dollar fee renew for one additional twelve-month period only the unsold portion for which the registration fee has been paid.

(b) For the offer of a federal covered security that (i) is an exempt security pursuant to section 3(2) of the Securities Act of 1933, and (ii) would not qualify for the exemption or a discretionary order of exemption pursuant to RCW 21.20.310(1), the fee shall be one hundred dollars for the first one hundred thousand dollars of initial issue, or portion thereof in this state, based on offering price, plus one-twentieth of one percent for any excess over one hundred thousand dollars which are to be offered during that year: PROVIDED, HOWEVER, That an issuer may upon the payment of a fifty dollar fee renew for one additional twelve-month period only the unsold portion for which the filing fee has been paid.

(2)(a) For registration by coordination of securities issued by an investment company, other than a closed-end company, as those terms are defined in the

Investment Company Act of 1940, the fee shall be one hundred dollars for the first one hundred thousand dollars of initial issue, or portion thereof in this state, based on offering price, plus one-twentieth of one percent for any excess over one hundred thousand dollars which are to be offered in this state during that year: PROVIDED, HOWEVER, That an issuer may upon the payment of a fifty dollar fee renew for one additional twelve-month period the unsold portion for which the registration fee has been paid.

(b) For each offering by an investment company, other than a closed-end company, as those terms are defined in the Investment Company Act of 1940, making a notice filing pursuant to RCW 21.20.327(1), the initial filing fee shall be one hundred dollars for the first one hundred thousand dollars of initial issue, or portion thereof in this state, based on offering price, plus one-twentieth of one percent for any excess over one hundred thousand dollars which are to be offered in this state during that year. The amount offered in this state during the year may be increased by paying one-twentieth of one percent of the desired increase, based on offering price, prior to the sale of securities to be covered by the fee: PROVIDED, HOWEVER, That an issuer may upon the payment of a fifty dollar fee renew for one additional twelve-month period the unsold portion for which the filing fee has been paid.

(3)(a) For registration by coordination of securities not covered by subsection (2) of this section, the initial filing fee shall be one hundred dollars for the first one hundred thousand dollars of initial issue, or portion thereof in this state, based on offering price, plus one-fortieth of one percent for any excess over one hundred thousand dollars for the first twelve-month period plus one hundred dollars for each additional twelve months in which the same offering is continued. The amount offered in this state during the year may be increased by paying one-fortieth of one percent of the desired increase, based on offering price, prior to the sale of securities to be covered by the fee.

(b) For each offering by a closed-end investment company, making a notice filing pursuant to RCW 21.20.327(1), the initial filing fee shall be one hundred dollars for the first one hundred thousand dollars of initial issue, or portion thereof in this state, based on offering price, plus one-fortieth of one percent for any excess over one hundred thousand dollars for the first twelve-month period plus one hundred dollars for each additional twelve months in which the same offering is continued. The amount offered in this state during the year may be increased by paying one-fortieth of one percent of the desired increase, based on offering price, prior to the sale of securities to be covered by the fee.

(4) For filing annual financial statements, the fee shall be twenty-five dollars.

(5)(a) For filing an amended offering circular after the initial registration permit has been granted or pursuant to RCW 21.20.327(1)(b), the fee shall be ten dollars.

(b) For filing a report under RCW 21.20.270(1) or 21.20.327(1)(c), the fee shall be ten dollars.

(6)(a) For registration of a broker-dealer or investment adviser, the fee shall be one hundred fifty dollars for original registration and seventy-five dollars for each annual renewal. When an application is denied or withdrawn the director shall retain one-half of the fee.

(b) For a federal covered adviser filing pursuant to RCW 21.20.050, the fee shall be one hundred fifty dollars for original notification and seventy-five dollars for each annual renewal. A fee shall not be assessed in connection with converting an investment adviser registration to a notice filing when the investment adviser becomes a federal covered adviser.

(7) For registration of a salesperson or investment adviser representative, the fee shall be forty dollars for original registration with each employer and twenty dollars for each annual renewal. When an application is denied or withdrawn the director shall retain one-half of the fee.

(8) If a registration, or filing pursuant to RCW 21.20.050, of a broker-dealer, salesperson, investment adviser, federal covered adviser, or investment adviser representative is not renewed on or before the renewal deadline specified in the central registration depository (CRD) or the investment adviser registration depository (IARD), as applicable, the renewal is delinquent. The director by rule or order may set and assess a fee for delinquency not to exceed two hundred dollars. Acceptance by the director of an application for renewal after the renewal deadline specified in the CRD or the IARD, as applicable, is not a waiver of delinquency. A delinquent application for renewal will not be accepted for filing after March 1st.

(9)(a) For the transfer of a broker-dealer license to a successor, the fee shall be fifty dollars.

(b) For the transfer of a salesperson license from a broker-dealer or issuer to another broker-dealer or issuer, the transfer fee shall be twenty-five dollars.

(c) For the transfer of an investment adviser representative license from an investment adviser to another investment adviser, the transfer fee shall be twenty-five dollars.

(d) For the transfer of an investment adviser license to a successor, the fee shall be fifty dollars.

(10)(a) The director may provide by rule for the filing of notice of claim of exemption under RCW 21.20.320 (1), (9), and (17) and set fees accordingly not to exceed three hundred dollars.

(b) For the filing required by RCW 21.20.327(2), the fee shall be three hundred dollars.

(11) For filing of notification of claim of exemption from registration pursuant to RCW 21.20.310(11), as now or hereafter amended, the fee shall be fifty dollars for each filing.

(12) For rendering interpretative opinions, the fee shall be thirty-five dollars.

(13) For certified copies of any documents filed with the director, the fee shall be the cost to the department of financial institutions.

(14) For a duplicate license the fee shall be five dollars.

(15) Upon a finding by the department of financial institutions that a fee increase is necessary to defray the costs of administering this chapter, the director may by rule adjust the fees specified in this section upward by no more than fifteen dollars.

All fees collected under this chapter shall be turned in to the state treasury and are not refundable, except as herein provided.

Sec. 2. RCW 43.320.110 and 2017 3rd sp.s. c 1 s 976 are each amended to read as follows:

(1) There is created in the custody of the state treasurer a local fund known as the "financial services regulation fund" which shall consist of all moneys received by the divisions of the department of financial institutions, except ~~((for))~~ as provided in subsection (2) of this section.

(2) The division of securities ~~((which))~~ shall deposit thirteen percent of all moneys received, except as provided in RCW 43.320.115 and subsection (3) of this section, and which shall be used for the purchase of supplies and necessary equipment; the payment of salaries, wages, and utilities; the establishment of reserves; and other incidental costs required for the proper regulation of individuals and entities subject to regulation by the department. ~~((The state treasurer shall be the custodian of the fund.))~~

(3) The division of securities shall deposit one hundred percent of all moneys received that are attributable to increases in fees implemented by rule pursuant to RCW 21.20.340(15).

(4) Disbursements from the fund shall be on authorization of the director of financial institutions or the director's designee. In order to maintain an effective expenditure and revenue control, the fund shall be subject in all respects to chapter 43.88 RCW, but no appropriation is required to permit expenditures and payment of obligations from the fund.

~~((During the 2015-2017 fiscal biennium, the legislature may transfer from the financial services regulation fund to the state general fund such amounts as reflect the excess fund balance of the fund.))~~ During the 2015-2017 and 2017-2019 fiscal biennia, moneys from the financial services regulation fund may be appropriated for the family prosperity account program at the department of commerce and for the operations of the department of revenue.

Passed by the Senate February 9, 2018.

Passed by the House February 28, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 186

[Engrossed Substitute Senate Bill 6034]

PUBLIC UTILITY DISTRICTS--RETAIL TELECOMMUNICATIONS SERVICES

AN ACT Relating to authorizing limited retail telecommunications services for public utility districts that provide only sewer, water, and telecommunications on the effective date of this act; adding new sections to chapter 54.16 RCW; and adding a new section to chapter 34.12 RCW.

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

NEW SECTION. **Sec. 1.** A new section is added to chapter 54.16 RCW to read as follows:

(1) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Broadband" means high-speed internet access and other advanced telecommunications services.

(b) "Broadband network" means networks of deployed telecommunications equipment and technologies necessary to provide broadband.

(c) "Inadequate" means internet retail service that does not meet one hundred percent of the standards detailed in the service level agreement.

(d) "Partnership payment structure" means a group of or individual property owners who agree to pay a term payment structure for infrastructure improvements to their property.

(e) "Petition" means a formal written request for retail internet service by property owners on the public utility district broadband network.

(f) "Retail internet service" means the provision of broadband to end users.

(g) "Service level agreement" means a standard agreement, adopted during an open public meeting, between the retail internet service provider and the public utility that describes the required percentage of broadband download and upload speed and system availability, customer service, and transmission time.

(2) Any public utility district that, as of the effective date of this section, provides only water, sewer, and wholesale telecommunications services in a county with an area less than five hundred square miles and is located west of the Puget Sound may provide retail internet service on the public utility district's broadband network located within the public utility district boundaries only when all of the existing providers of end-user internet service on the public utility district's broadband network cease to provide end-user service or provide inadequate end-user service as determined in the manner prescribed by this section. The authority provided in this subsection expires five years after the effective date of this act for any public utility district that has not either entered into a partnership payment structure to finance broadband deployment or been petitioned to provide retail internet service within that time period.

(3) Upon receiving a petition meeting the requirements of subsection (4) of this section, a public utility district board of commissioners may hold up to three meetings to:

(a) Verify the signature or signatures of the property owners on the petition and certify the petition;

(b) Determine and submit findings that the retail internet service available to the petitioners served by the public utility district's broadband network is either nonexistent or inadequate as defined in the service level agreement adopted by the commissioners for all existing internet service providers on the public utility district's broadband network;

(c) Receive, and either reject or accept any recommendations or adjustments to, a business case plan developed in accordance with subsection (7) of this section; and

(d) By resolution, authorize the public utility district to provide retail internet service on the public utility district's broadband network.

(4) A petition meets the requirements of subsection (3) of this section if it is delivered to a public utility district board of commissioners, declares that the signatories on the public utility district's broadband network have no or inadequate retail internet service providers, requests the public utility district to provide the retail internet service, and is signed by one of the following:

(a) A majority of a group, including homeowners' associations, of any geographical area within the public utility district, who have developed a partnership payment structure to finance broadband deployment with the public utility district; or

(b) Any individual who has developed a partnership payment structure to finance broadband deployment with the public utility district.

(5) For the purposes of this section, the adequacy of retail internet service is determined by measuring retail internet service to end users on the public utility district's broadband network and comparing it with service standards in the public utility district service level agreement used for all public utility district network providers. Measurement of the existing retail internet service provider's service must be quantified by measuring the service with speed and capacity devices and software. Additionally, a retail internet service provider may submit its own assessment of its service level for consideration by the commission within thirty days of the first meeting conducted under subsection (3) of this section.

(6) The commissioners of a public utility district may by resolution authorize the public utility district to provide or contract for provision of retail internet services on the public utility district's broadband network:

(a) After development of a business case plan in accordance with subsection (7) of this section; and

(b) When it is determined that no service or inadequate service exists for the individual or petitioners identified in subsection (4) of this section.

(7) The business case plan under subsection (6) of this section must be reviewed by an independent qualified consultant. The review must include the use of public funds in the provision of retail internet service. Any recommendations or adjustments to the business case plan made during third-party review must be received and either rejected or accepted by the district board of commissioners in an open meeting.

(8)(a) Except as provided in subsection (9) of this section, in case of failure to reach an agreement on the adequacy of retail internet service, the commissioners must request an appointment of an administrative law judge under Title 34 RCW to hear the dispute.

(b) The commissioners must provide a written notice, together with a copy of the dispute, and may require the disputing parties to attend a hearing before the administrative law judge, at a time and place to be specified in the written notice.

(c) The place of any such hearing may be the office of the commissioners or another place designated by the commissioners. The disputed information must be presented at the hearing.

(d) Upon review and consideration of all of the evidence, the administrative law judge must determine if the retail internet service is inadequate or nonexistent as defined in this section. Upon making a determination, the administrative law judge must state findings of fact and must issue and file a determination with the commissioners.

(9) If a provider of end-user service is a company regulated by the utilities and transportation commission, the company may choose to have the commission resolve disputes concerning the service level agreement under the process established in RCW 54.16.340. For the purposes of this subsection, "company" includes subsidiaries or affiliates.

(10) Any public utility district providing cable television service under this section must secure a cable television franchise, pay franchise fees, and any applicable taxes to the local cable franchise authority as required by federal law.

(11) Except as provided in subsection (9) of this section, nothing in this section may be construed or is intended to confer upon the utilities and

transportation commission any authority to exercise jurisdiction over locally regulated utilities.

(12) All rates for retail internet services offered by a public utility district under this section must be just, fair, and reasonable, except the public utility district may set tiers of service charges based on service demands of the end user, including commercial and residential rates.

(13) A public utility district must not condition the availability or cost of other services upon the purchase or use of retail internet service.

(14) A public utility district authorized to provide retail internet service within a specific geographical area must, upon reasonable notice, furnish to all persons and entities within that geographical area meeting the provisions of subsections (2) and (4) of this section proper facilities and connections for retail internet service as requested.

(15) A public utility district providing retail internet service must separately account for any revenues and expenditures for those services according to standards established by the state auditor pursuant to its authority in chapter 43.09 RCW and consistent with the provisions of this title.

NEW SECTION. Sec. 2. A new section is added to chapter 34.12 RCW to read as follows:

When requested by the public utility district commissioners, the chief administrative law judge shall assign an administrative law judge to conduct proceedings under section 1 of this act.

NEW SECTION. Sec. 3. A new section is added to chapter 54.16 RCW to read as follows:

(1) Property owned by a public utility district that is exempt from property tax under RCW 84.36.010 is subject to an annual payment in lieu of property taxes if the property consists of a broadband network used in providing retail internet service.

(2)(a) The amount of the payment must be determined jointly and in good faith negotiation between the public utility district that owns the property and the county or counties in which the property is located.

(b) The amount agreed upon may not exceed the property tax amount that would be owed on the property comprising the broadband network used in providing retail internet service as calculated by the department of revenue. The public utility district must provide information necessary for the department of revenue to make the required valuation under this subsection. The department of revenue must provide the amount of property tax that would be owed on the property to the county or counties in which the broadband network is located on an annual basis.

(c) If the public utility district and a county cannot agree on the amount of the payment in lieu of taxes, either party may invoke binding arbitration by providing written notice to the other party. In the event that the amount of payment in lieu of taxes is submitted to binding arbitration, the arbitrators must consider the government services available to the public utility district's broadband network used in providing retail internet service. The public utility district and county must each select one arbitrator, the two of whom must pick a third arbitrator. Costs of the arbitration, including compensation for the

arbitrators' services, must be borne equally by the parties participating in the arbitration.

(3) By April 30th of each year, a public utility district must remit the annual payment to the county treasurer of each county in which the public utility district's broadband network used in providing retail internet service is located in a form and manner required by the county treasurer.

(4) The county must distribute the amounts received under this section to all property taxing districts, including the state, in appropriate tax code areas in the same proportion as it would distribute property taxes from taxable property.

(5) By December 1, 2019, and annually thereafter, the department of revenue must submit a report to the appropriate legislative committees detailing the amount of payments made under this section and the amount of property tax that would be owed on the property comprising the broadband network used in providing retail internet service.

(6) The definitions in section 1 of this act apply to this section.

Passed by the Senate March 7, 2018.

Passed by the House March 6, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 187

[Senate Bill 6058]

WRITE-IN VOTING

AN ACT Relating to write-in voting; and amending RCW 29A.24.091, 29A.24.311, 29A.60.021, and 29A.60.040.

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

Sec. 1. RCW 29A.24.091 and 2009 c 106 s 2 are each amended to read as follows:

(1) A filing fee of ten dollars shall accompany the declaration of candidacy for any office with a fixed annual salary of one thousand dollars or less(($\frac{1}{2}$)). A filing fee equal to one percent of the annual salary of the office at the time of filing shall accompany the declaration of candidacy for any office with a fixed annual salary of more than one thousand dollars per annum. No filing fee need accompany a declaration of candidacy for precinct committee officer or any office for which compensation is on a per diem or per meeting attended basis, or any declaration of candidacy for a write-in candidate filed after the close of filing and more than eighteen days prior to a primary or election.

(2) A filing fee of twenty-five dollars shall accompany the declaration of candidacy for write-in candidates for any office with a fixed annual salary of one thousand dollars or less if filed eighteen days or less prior to a primary or election.

(3) A filing fee equal to one percent of the annual salary of the office at the time of filing shall accompany a declaration of candidacy for write-in candidates for any office with a fixed annual salary of more than one thousand dollars per annum if filed eighteen days or less prior to a primary or election.

(4) A candidate who lacks sufficient assets or income at the time of filing to pay the filing fee required by this section shall submit with his or her declaration

of candidacy a filing fee petition. The petition shall contain not less than a number of signatures of registered voters equal to the number of dollars of the filing fee. The signatures shall be of voters registered to vote within the jurisdiction of the office for which the candidate is filing.

When the candidacy is for:

~~((1))~~ (a) A statewide office, the United States senate, or the United States house of representatives, the fee shall be paid to the secretary of state;

~~((2))~~ (b) A legislative or judicial office that includes territory from more than one county, the fee shall be paid to the secretary of state for equal division between the treasuries of the counties comprising the district;

~~((3))~~ (c) A legislative or judicial office that includes territory from only one county, the fee shall be paid to the county auditor;

~~((4))~~ (d) A city or town office, the fee shall be paid to the county auditor who shall transmit it to the city or town clerk for deposit in the city or town treasury.

Sec. 2. RCW 29A.24.311 and 2013 c 11 s 91 are each amended to read as follows:

(1) Any person who desires to be a write-in candidate ~~((and have such votes counted at a primary or election may))~~ shall file a declaration of candidacy with the officer designated in RCW 29A.24.070 not later than 8:00 p.m. on the day ~~((ballots must be mailed according to RCW 29A.40.070))~~ of the primary or election. A write-in declaration of candidacy is timely if filed by this deadline. No votes shall be counted for a write-in candidate who has not properly filed a write-in declaration of candidacy. ~~((Declarations of candidacy for write-in candidates must be accompanied by a filing fee in the same manner as required of other candidates filing for the office as provided in RCW 29A.24.091.))~~

(2) Votes cast for write-in candidates who have filed such declarations of candidacy need only specify the name of the candidate in the appropriate location on the ballot in order to be counted. ~~((Write-in votes cast for any other candidate, in order to be counted, must designate the office sought and position number, if the manner in which the write-in is done does not make the office or position clear.))~~

(3) No person may file as a write-in candidate where:

(a) At a general election, the person attempting to file either filed as a write-in candidate for the same office at the preceding primary or the person's name ~~((appeared))~~ was printed on the ballot for the same office at the preceding primary;

(b) The person attempting to file as a write-in candidate has already filed a valid write-in declaration for that primary or election;

(c) The name of the person attempting to file is already ~~((appears))~~ printed on the ballot as a candidate for another office, unless the other office is precinct committee officer or a temporary elected position, such as charter review board member or freeholder;

(d) The office filed for is precinct committee ~~((precinct))~~ officer.

(4) The declaration of candidacy shall be similar to that required by RCW 29A.24.031. No write-in candidate filing under this section may be included in any voter's pamphlet produced under chapter 29A.32 RCW unless that candidate qualifies to have his or her name printed on the general election ballot. The legislative authority of any jurisdiction producing a local voter's pamphlet under

chapter 29A.32 RCW may provide, by ordinance, for the inclusion of write-in candidates in such pamphlets.

Sec. 3. RCW 29A.60.021 and 2012 c 89 s 4 are each amended to read as follows:

(1) For any office, except precinct committee officer, at any election or primary, any voter may write in on the ballot the name of any person for an office. Votes must be individually tallied for a candidate who has filed as a write-in candidate for the office in the manner provided by RCW 29A.24.311 ~~((and such vote shall be counted the same as if the name had been printed on the ballot and marked by the voter. No write-in vote made for any person who has not filed a declaration of candidacy pursuant to RCW 29A.24.311 is valid if that person filed for the same office, either as a regular candidate or a write-in candidate, at the preceding primary. Any abbreviation used to designate office or position will be accepted if the canvassing board can determine, to its satisfaction, the voter's intent))~~ as long as the requirements of subsection (6), (7), or (8) of this section are met. No write-in vote for a declared write-in candidate may be rejected due to variation in the form of the name if the canvassing board can determine the person and office for which the voter intended to vote.

(2) The total number of write-in votes cast for each office must be recorded and reported with the canvass for the election.

(3) A write-in vote for an individual candidate for an office whose name ~~((appears))~~ is printed on the ballot for that same office is a valid vote for that candidate as long as the candidate's name is clearly discernible, even if ~~((other requirements of RCW 29A.24.311 are not satisfied and even if))~~ the voter also marked a vote for that candidate such as to otherwise register an overvote. ~~((These votes need not be tabulated unless: (a) The difference between the number of votes cast for the candidate apparently qualified to appear on the general election ballot or elected and the candidate receiving the next highest number of votes is less than the sum of the total number of write-in votes cast for the office plus the overvotes and undervotes recorded by the vote tabulating system; or (b) a manual recount is conducted for that office.))~~

(4) Write-in votes cast for an individual candidate for an office whose name does not appear on the ballot need not be individually tallied unless the ~~((total number of write-in votes and undervotes recorded by the vote tabulation system for the office is greater than the number of votes cast for the candidate apparently qualified to appear on the general election ballot or elected))~~ candidate has filed a timely declaration of write-in candidacy.

(5) In the case of write-in ~~((votes))~~ candidates for a statewide office or any office whose jurisdiction encompasses more than one county, write-in votes for an individual candidate must be tallied when the county auditor is notified by ~~((either the secretary of state or another county auditor in the multicounty jurisdiction))~~ the filing officer for that office that ((it appears that the write-in votes must be tabulated under the terms of this section)) a candidate has filed a timely declaration of write-in candidacy. In all other cases, the county auditor determines ~~((when write-in votes must be tabulated)),~~ in accordance with this section, whether a candidate has filed a timely declaration of write-in candidacy and thus, write-in votes must be individually tallied. ((Any abstract of)) The county canvassing board must certify write-in votes ((must be modified to reflect the tabulation and certified by the canvassing board. Tabulation of write-in votes

~~may be performed simultaneously with a recount)) including the vote total received by a candidate that has filed a timely declaration of write-in candidacy if the requirements of subsection (6), (7), or (8) of this section are met. Final results must consolidate the vote total associated with each candidate after the canvassing board has reconciled any variation in the spelling of names for those candidates.~~

(6) In a primary, if the name of only a single candidate appears on the ballot for an office, and the total number of write-in votes cast for that office exceeds one percent of the total number of votes cast for that office, the individual write-in votes for each candidate who has filed a timely declaration of write-in candidacy must be canvassed and reported. Otherwise, individual tallying of write-in votes is not required.

(7) In a primary, if two or more candidates appear on the ballot for an office and the total number of write-in votes cast for that office exceeds the number of votes cast for the candidate with the second highest number of votes, then the individual write-in votes for each candidate who has filed a timely declaration of write-in candidacy must be canvassed and reported. Otherwise, individual tallying of write-in votes is not required.

(8) In a general election, if the total number of write-in votes cast for an office exceeds the number of votes cast for the candidate apparently elected to that office, then the individual write-in votes for each candidate who has filed a timely declaration of write-in candidacy must be canvassed and reported. Otherwise, individual tallying of write-in votes is not required.

**Sec. 4. RCW 29A.60.040 and 2011 c 10 s 47 are each amended to read as follows:*

A ballot is invalid and no votes on that ballot may be counted if it is found folded together with another ballot.

~~((Those))~~ Parts of a ballot are invalid and no votes may be counted for those issues or offices where:

(1) More votes are cast for the office or issue than are permitted by law;

(2) Write-in votes ~~((do not contain all of the information required under RCW 29A.60.021))~~ are cast for persons who did not file a timely declaration of candidacy pursuant to RCW 29A.24.031 or 29A.24.311; or ~~((that))~~

(3) The issue or office is not marked with sufficient definiteness to determine the voter's choice or intention. ~~((No write-in vote may be rejected due to a variation in the form of the name if the canvassing board can determine the issue for or against which or the person and the office for which the voter intended to vote.))~~

**Sec. 4 was vetoed. See message at end of chapter.*

Passed by the Senate March 5, 2018.

Passed by the House March 1, 2018.

Approved by the Governor March 22, 2018, with the exception of certain items that were vetoed.

Filed in Office of Secretary of State March 26, 2018.

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

"I am returning herewith, without my approval as to Section 4, Senate Bill No. 6058 entitled:

"AN ACT Relating to write-in voting."

Section 4 creates an unintended extra administrative burden for some counties and is not needed for implementation purposes or to meet the intent of the bill.

For these reasons I have vetoed Section 4 of Senate Bill No. 6058.

With the exception of Section 4, Senate Bill No. 6058 is approved."

CHAPTER 188

[Engrossed Senate Bill 6087]

ADVANCED COLLEGE TUITION PAYMENT AND COLLEGE SAVINGS PROGRAMS

AN ACT Relating to the Washington higher education tuition payment and college savings programs; amending RCW 28B.95.020, 28B.95.030, and 28B.95.045; providing an effective date; and declaring an emergency.

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

Sec. 1. RCW 28B.95.020 and 2016 c 69 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) "Academic year" means the regular nine-month, three-quarter, or two-semester period annually occurring between August 1st and July 31st.

(2) "Account" means the Washington advanced college tuition payment program account established for the deposit of all money received by the office from eligible purchasers and interest earnings on investments of funds in the account, as well as for all expenditures on behalf of eligible beneficiaries for the redemption of tuition units and for the development of any authorized college savings program pursuant to RCW 28B.95.150.

(3) "Advisor sold" means a channel through which a broker dealer, investment advisor, or other financial intermediary recommends the Washington college savings program established pursuant to RCW 28B.95.010 to eligible investors and assists with the opening and servicing of individual college savings program accounts.

(4) "College savings program account" means the Washington college savings program account established pursuant to RCW ((~~28B.95.010~~)) 28B.95.085.

(5) "Committee on advanced tuition payment and college savings" or "committee" means a committee of the following members: The state treasurer, the director of the office of financial management, the director of the office, or their designees, and two members to be appointed by the governor, one representing program participants and one private business representative with marketing, public relations, or financial expertise.

(6) "Contractual obligation" means a legally binding contract of the state with the purchaser and the beneficiary establishing that purchases of tuition units in the advanced college tuition payment program will be worth the same number of tuition units at the time of redemption as they were worth at the time of the purchase, except as provided in RCW 28B.95.030 (7) and (8).

(7) "Dual credit fees" means any fees charged to a student for participation in college in the high school under RCW 28A.600.290 or running start under RCW 28A.600.310.

(8) "Eligible beneficiary" means the person designated as the individual whose education expenses are to be paid from the advanced college tuition payment program or the college savings program. Qualified organizations, as allowed under section 529 of the federal internal revenue code, purchasing tuition unit contracts as future scholarships need not designate a beneficiary at the time of purchase.

(9) "Eligible contributor" means an individual or organization that contributes money for the purchase of tuition units, and for an individual college savings program account established pursuant to this chapter for an eligible beneficiary.

(10) "Eligible purchaser" means an individual or organization that has entered into a tuition unit contract with the governing body for the purchase of tuition units in the advanced college tuition payment program for an eligible beneficiary, or that has entered into a participant college savings program account contract for an eligible beneficiary. The state of Washington may be an eligible purchaser for purposes of purchasing tuition units to be held for granting Washington college bound scholarships.

(11) "Full-time tuition charges" means resident tuition charges at a state institution of higher education for enrollments between ten credits and eighteen credit hours per academic term.

(12) "Governing body" means the committee empowered by the legislature to administer the Washington advanced college tuition payment program and the Washington college savings program.

(13) "Individual college savings program account" means the formal record of transactions relating to a Washington college savings program beneficiary.

(14) "Institution of higher education" means an institution that offers education beyond the secondary level and is recognized by the internal revenue service under chapter 529 of the internal revenue code.

(15) "Investment board" means the state investment board as defined in chapter 43.33A RCW.

(16) "Investment manager" means the state investment board, another state, or any other entity as selected by the governing body, including another college savings plan established pursuant to section 529 of the internal revenue code.

(17) "Office" means the office of student financial assistance as defined in chapter 28B.76 RCW.

(18) "Owner" means the eligible purchaser or the purchaser's successor in interest who shall have the exclusive authority to make decisions with respect to the tuition unit contract or the individual college savings program contract. The owner has exclusive authority and responsibility to establish and change the asset investment options for a beneficiaries' individual college savings program account.

(19) "Participant college savings program account contract" means a contract to participate in the Washington college savings program between an eligible purchaser and the office.

(20) "State institution of higher education" means institutions of higher education as defined in RCW 28B.10.016.

(21) "Tuition and fees" means undergraduate tuition and services and activities fees as defined in RCW 28B.15.020 and 28B.15.041 rounded to the nearest whole dollar. For purposes of this chapter, services and activities fees do

not include fees charged for the payment of bonds heretofore or hereafter issued for, or other indebtedness incurred to pay, all or part of the cost of acquiring, constructing, or installing any lands, buildings, or facilities.

(22) "Tuition unit contract" means a contract between an eligible purchaser and the governing body, or a successor agency appointed for administration of this chapter, for the purchase of tuition units in the advanced college tuition payment program for a specified beneficiary that may be redeemed at a later date for an equal number of tuition units, except as provided in RCW 28B.95.030 (7) and (8).

(23) "Unit cash value price" means the total value of assets under management in the advanced college tuition payment program on a date to be determined by the committee, divided by the total number of outstanding units purchased by eligible purchasers before July 1, 2015, and any outstanding units accrued by eligible purchasers as a result of the July 2017 unit rebase. For purposes of this calculation, the total market value of assets shall exclude the total accumulated market value of proceeds from units purchased after June 30, 2015.

(24) "Unit purchase price" means the minimum cost to purchase one tuition unit in the advanced college tuition payment program for an eligible beneficiary. Generally, the minimum purchase price is one percent of the undergraduate tuition and fees for the current year, rounded to the nearest whole dollar, adjusted for the costs of administration and adjusted to ensure the actuarial soundness of the account. The analysis for price setting shall also include, but not be limited to consideration of past and projected patterns of tuition increases, program liability, past and projected investment returns, and the need for a prudent stabilization reserve.

Sec. 2. RCW 28B.95.030 and 2016 c 69 s 4 are each amended to read as follows:

(1) The Washington advanced college tuition payment program shall be administered by the committee on advanced tuition payment which shall be chaired by the director of the office. The committee shall be supported by staff of the office.

(2)(a) The Washington advanced college tuition payment program shall consist of the sale of tuition units, which may be redeemed by the beneficiary at a future date for an equal number of tuition units regardless of any increase in the price of tuition, that may have occurred in the interval, except as provided in subsections (7) and (8) of this section.

(b) Each purchase shall be worth a specific number of or fraction of tuition units at each state institution of higher education as determined by the governing body, except as provided in subsections (7) and (8) of this section.

(c) The number of tuition units necessary to pay for a full year's, full-time undergraduate tuition and fee charges at a state institution of higher education shall be set by the governing body at the time a purchaser enters into a tuition unit contract, except as provided in subsections (7) and (8) of this section.

(d) The governing body may limit the number of tuition units purchased by any one purchaser or on behalf of any one beneficiary, however, no limit may be imposed that is less than that necessary to achieve four years of full-time, undergraduate tuition charges at a state institution of higher education. The

governing body also may, at its discretion, limit the number of participants, if needed, to ensure the actuarial soundness and integrity of the program.

(e) While the Washington advanced college tuition payment program is designed to help all citizens of the state of Washington, the governing body may determine residency requirements for eligible purchasers and eligible beneficiaries to ensure the actuarial soundness and integrity of the program.

(3)(a) No tuition unit may be redeemed until two years after the purchase of the unit.

(b) Units may be redeemed for enrollment at any institution of higher education that is recognized by the internal revenue service under chapter 529 of the internal revenue code. Units may also be redeemed to pay for dual credit fees.

(c) Units redeemed at a nonstate institution of higher education or for graduate enrollment shall be redeemed at the rate for state public institutions in effect at the time of redemption.

(4) The governing body shall determine the conditions under which the tuition benefit may be transferred to another family member. In permitting such transfers, the governing body may not allow the tuition benefit to be bought, sold, bartered, or otherwise exchanged for goods and services by either the beneficiary or the purchaser.

(5) The governing body shall administer the Washington advanced college tuition payment program in a manner reasonably designed to be actuarially sound, such that the assets of the trust will be sufficient to defray the obligations of the trust including the costs of administration. The governing body may, at its discretion, discount the minimum purchase price for certain kinds of purchases such as those from families with young children, as long as the actuarial soundness of the account is not jeopardized.

(6) The governing body shall annually determine current value of a tuition unit.

(7) For the 2015-16 and 2016-17 academic years only, the governing body shall set the payout value for units redeemed during that academic year only at one hundred seventeen dollars and eighty-two cents per unit. For academic years after the 2016-17 academic year, the governing body shall make program adjustments it deems necessary and appropriate to ensure that the total payout value of each account on October 9, 2015, is not decreased or diluted as a result of the initial application of any changes in tuition under section 3, chapter 36, Laws of 2015 3rd sp. sess. In the event the committee or governing body provides additional units under chapter 36, Laws of 2015 3rd sp. sess., the committee and governing body shall also increase the maximum number of units that can be redeemed in any year to mitigate the reduction in available account value during any year as a result of chapter 36, Laws of 2015 3rd sp. sess. The governing body must notify holders of tuition units after the adjustment in this subsection is made and must include a statement concerning the adjustment.

(8) The governing body shall allow account owners who purchased units before July 1, 2015, to redeem such units at the unit cash value price provided that all the redeemed funds are deposited immediately into an eligible Washington college savings program account established by the governing body. Within ninety days of the effective date of this section, the committee, in consultation with the state actuary and state investment board, shall:

(a) Establish a period that is not less than ninety days during which eligible purchasers may redeem units at the unit cash value price for the purposes of this subsection and provide at least thirty days' notice prior to the ninety-day window to all eligible account holders about the redemption option; and

(b) Establish the unit cash value price. The committee, in consultation with the state actuary and the state investment board, may revalue the unit cash value price established in this subsection (8)(b) up to three times during the ninety-day period in which eligible purchasers may redeem units for the unit cash value price.

(9)(a) After the governing body completes the requirements of subsection (8) of this section, the governing body shall adjust, by March 1, 2019, all remaining unredeemed units purchased before July 1, 2015, as follows:

(i) First, the governing body shall take the difference between the average unit purchase price in each individual's account and the 2016-17 unit payout value and increase the number of units in each individual's account by a number of units of equivalent total value at the 2017-18 unit purchase price, if the average unit purchase price is more than the 2016-17 unit payout value; and

(ii) Second, after (a)(i) of this subsection is completed, the governing body, with assistance from the state actuary, shall grant an additional number of units to each account holder with unredeemed and purchased units before July 1, 2015, in order to lower the best-estimate funded status of the program to one hundred twenty-five percent, subject to a limit of an increase of fifteen percent of unredeemed and purchased units per account holder. The state actuary shall select the measurement date, assumptions, and methods necessary to perform an actuarial measurement consistent with the purpose of this subsection.

(b) For the purpose of this subsection (9), and for account holders with uncompleted custom monthly contracts, the governing body shall only include purchased and unredeemed units before July 1, 2015.

(10) The governing body shall collect an amortization fee as a component of each future unit sold whenever the governing body determines amortization fees are necessary to increase the best-estimate funded status of the program.

(11) The governing body shall promote, advertise, and publicize the Washington advanced college tuition payment program. Materials and online publications advertising the Washington advanced college tuition payment program shall include a disclaimer that the Washington advanced college tuition payment program's guarantee is that one hundred tuition units will equal one year of full-time, resident, undergraduate tuition at the most expensive state institution of higher education, and that if resident, undergraduate tuition is reduced, a tuition unit may lose monetary value.

~~((9))~~ (12) In addition to any other powers conferred by this chapter, the governing body may:

(a) Impose reasonable limits on the number of tuition units or units that may be used in any one year;

(b) Determine and set any time limits, if necessary, for the use of benefits under this chapter;

(c) Impose and collect administrative fees and charges in connection with any transaction under this chapter;

(d) Appoint and use advisory committees and the state actuary as needed to provide program direction and guidance;

(e) Formulate and adopt all other policies and rules necessary for the efficient administration of the program;

(f) Consider the addition of an advanced payment program for room and board contracts and also consider a college savings program;

(g) Purchase insurance from insurers licensed to do business in the state, to provide for coverage against any loss in connection with the account's property, assets, or activities or to further insure the value of the tuition units;

(h) Make, execute, and deliver contracts, conveyances, and other instruments necessary to the exercise and discharge of its powers and duties under this chapter;

(i) Contract for the provision for all or part of the services necessary for the management and operation of the program with other state or nonstate entities authorized to do business in the state;

(j) Contract for other services or for goods needed by the governing body in the conduct of its business under this chapter;

(k) Contract with financial consultants, actuaries, auditors, and other consultants as necessary to carry out its responsibilities under this chapter;

(l) Solicit and accept cash donations and grants from any person, governmental agency, private business, or organization; and

(m) Perform all acts necessary and proper to carry out the duties and responsibilities of this program under this chapter.

Sec. 3. RCW 28B.95.045 and 2016 c 69 s 6 are each amended to read as follows:

(1) The committee shall create an expedited process by which owners can complete a direct rollover or investment change of a 529 account from a:

(a) ~~((a))~~ State-sponsored prepaid tuition plan to a state-sponsored college savings plan~~((7))~~;

(b) ~~((a))~~ State-sponsored college savings plan to a state-sponsored prepaid tuition plan~~((7))~~; or

(c) ~~((a))~~ State-sponsored prepaid tuition plan or a state-sponsored college savings plan to an out-of-state eligible 529 plan.

(2) The committee shall report annually to the governor and the appropriate committees of the legislature on (a) the number of accounts that have been rolled into the Washington college savings program from out of state and (b) the number of accounts rolled out of the Washington college savings program to 529 plans in other states.

NEW SECTION. **Sec. 4.** 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 April 15, 2018.

Passed by the Senate March 8, 2018.

Passed by the House March 7, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 189

[Engrossed Substitute Senate Bill 6109]

INTERNATIONAL WILDLAND URBAN INTERFACE CODE

AN ACT Relating to the International Wildland Urban Interface Code; amending RCW 19.27.031; adding a new section to chapter 19.27 RCW; and adding a new section to chapter 43.30 RCW.

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

Sec. 1. RCW 19.27.031 and 2015 c 11 s 2 are each amended to read as follows:

Except as otherwise provided in this chapter, there shall be in effect in all counties and cities the state building code which shall consist of the following codes which are hereby adopted by reference:

(1)(a) The International Building Code, published by the International Code Council, Inc.;

(b) The International Residential Code, published by the International Code Council, Inc.;

(2) The International Mechanical Code, published by the International Code Council, Inc., except that the standards for liquefied petroleum gas installations shall be NFPA 58 (Storage and Handling of Liquefied Petroleum Gases) and ANSI Z223.1/NFPA 54 (National Fuel Gas Code);

(3) The International Fire Code, published by the International Code Council, Inc., including those standards of the National Fire Protection Association specifically referenced in the International Fire Code: PROVIDED, That, notwithstanding any wording in this code, participants in religious ceremonies shall not be precluded from carrying handheld candles;

(4) Portions of the International Wildland Urban Interface Code, published by the International Code Council Inc., as set forth in section 2 of this act;

(5) Except as provided in RCW 19.27.170, the Uniform Plumbing Code and Uniform Plumbing Code Standards, published by the International Association of Plumbing and Mechanical Officials: PROVIDED, That any provisions of such code affecting sewers or fuel gas piping are not adopted;

~~((5))~~ (6) The rules adopted by the council establishing standards for making buildings and facilities accessible to and usable by individuals with disabilities or elderly persons as provided in RCW 70.92.100 through 70.92.160; and

~~((6))~~ (7) The state's climate zones for building purposes are designated in RCW 19.27A.020(3) and may not be changed through the adoption of a model code or rule.

In case of conflict among the codes enumerated in subsections (1), (2), (3), ~~((and))~~ (4), and (5) of this section, the first named code shall govern over those following.

The codes enumerated in this section shall be adopted by the council as provided in RCW 19.27.074. The council shall solicit input from first responders to ensure that firefighter safety issues are addressed during the code adoption process.

The council may issue opinions relating to the codes at the request of a local official charged with the duty to enforce the enumerated codes.

NEW SECTION. Sec. 2. A new section is added to chapter 19.27 RCW to read as follows:

(1) In addition to the provisions of RCW 19.27.031, the state building code shall, upon the completion of statewide mapping of wildland urban interface areas consist of the following parts of the 2018 International Wildland Urban Interface Code, published by the International Code Council, Inc., which are hereby adopted by reference:

(a) The following parts of section 504 class 1 ignition-resistant construction:

(i)(A) 504.2 Roof covering - Roofs shall have a roof assembly that complies with class A rating when testing in accordance with American society for testing materials E 108 or underwriters laboratories 790. For roof coverings where the profile allows a space between the roof covering and roof decking, the space at the eave ends shall be fire stopped to preclude entry of flames or embers, or have one layer of seventy-two pound mineral-surfaced, nonperforated camp sheet complying with American society for testing materials D 3909 installed over the combustible decking.

(B) The roof covering on buildings or structures in existence prior to the adoption of the wildland urban interface code under this section that are replaced or have fifty percent or more replaced in a twelve month period shall be replaced with a roof covering required for new construction based on the type of ignition-resistant construction specified in accordance with section 503 of the International Wildland Urban Interface Code.

(C) The roof covering on any addition to a building or structure shall be replaced with a roof covering required for new construction based on the type of ignition-resistant construction specified in accordance with section 503 of the International Wildland Urban Interface Code.

(ii) 504.5 Exterior walls - Exterior walls of buildings or structures shall be constructed with one of the following methods:

(A) Materials approved for not less than one hour fire-resistance rated construction on the exterior side;

(B) Approved noncombustible materials;

(C) Heavy timber or log wall construction;

(D) Fire retardant-treated wood on the exterior side. The fire retardant-treated wood shall be labeled for exterior use and meet the requirements of section 2303.2 of the International Building Code; or

(E) Ignition-resistant materials on the exterior side.

Such materials shall extend from the top of the foundation to the underside of the roof sheathing.

(iii)(A) 504.7 Appendages and projections - Unenclosed accessory structures attached to buildings with habitable spaces and projections, such as decks, shall not be less than one hour fire-resistance rated construction, heavy timber construction, or constructed of one of the following:

(I) Approved noncombustible materials;

(II) Fire retardant-treated wood identified for exterior use and meeting the requirements of section 2303.2 of the International Building Code; or

(III) Ignition-resistant building materials in accordance with section 503.2 of the International Wildland Urban Interface Code.

(B) Subsection (1)(a)(iii)(A) of this section does not apply to an unenclosed accessory structure attached to buildings with habitable spaces and projections,

such as decks, attached to the first floor of a building if the structure is built with building materials at least two inches nominal depth and the area below the unenclosed accessory structure is screened with wire mesh screening to prevent embers from coming in from underneath.

(b) Section 403.2 Driveways - Driveways shall be provided where any portion of an exterior wall of the first story of the building is located more than one hundred fifty feet from a fire apparatus access road. Driveways in excess of three hundred feet in length shall be provided with turnarounds and driveways in excess of five hundred feet in length and less than twenty feet in width shall be provided with turnouts and turnarounds. The county, city, or town will define the requirements for a turnout or turnaround as required in this subsection.

(2) All counties, cities, and towns may adopt the International Wildland Urban Interface Code, published by the International Code Council, Inc., or any portion thereof.

(3) In adopting and maintaining the code enumerated in subsections (1) and (2) of this section, any amendment to the code as adopted under subsections (1) and (2) of this section may not result in an International Wildland Urban Interface Code that is more than the minimum performance standards and requirements contained in the published model code.

NEW SECTION. Sec. 3. A new section is added to chapter 43.30 RCW to read as follows:

(1) The department shall, to the extent practical within existing resources, establish a program of technical assistance to counties, cities, and towns for the development of findings of fact and maps establishing the wildland urban interface areas of jurisdictions in accordance with the requirements of the International Wildland Urban Interface Code as adopted by reference in section 2 of this act.

(2) The department shall develop and administer a grant program, subject to funding provided for this purpose, to provide direct financial assistance to counties, cities, and towns for the development of findings of fact and maps establishing wildland urban interface areas. Applications for grant funds must be submitted by counties, cities, and towns in accordance with regulations adopted by the department. The department is authorized to make and administer grants on the basis of applications, within appropriations authorized by the legislature, to any county, city, or town for the purpose of developing findings of fact and maps establishing wildland urban interface areas.

Passed by the Senate February 9, 2018.

Passed by the House March 1, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 190

[Engrossed Substitute Senate Bill 6127]

STATE HALIBUT FISHERY--CATCH RECORD CARD FEE

AN ACT Relating to improving the management of the state's halibut fishery; and amending RCW 77.32.430.

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

Sec. 1. RCW 77.32.430 and 2011 c 339 s 9 are each amended to read as follows:

(1) Catch record card information is necessary for proper management of the state's food fish and game fish species and shellfish resources. Catch record card administration shall be under rules adopted by the commission. Except as provided in this section, there is no charge for an initial catch record card. Each subsequent or duplicate catch record card costs eleven dollars.

(2) A license to take and possess Dungeness crab is only valid in Puget Sound waters east of the Bonilla-Tatoosh line if the fisher has in possession a valid catch record card officially endorsed for Dungeness crab. The endorsement shall cost no more than seven dollars and fifty cents when purchased for a personal use saltwater, combination, or shellfish and seaweed license. The endorsement shall cost no more than three dollars when purchased for a temporary combination fishing license authorized under RCW 77.32.470(3)(a).

(3) Catch record cards issued with affixed temporary short-term charter stamp licenses are neither subject to the ten-dollar charge nor to the Dungeness crab endorsement fee provided for in this section. Charter boat or guide operators issuing temporary short-term charter stamp licenses shall affix the stamp to each catch record card issued before fishing commences. Catch record cards issued with a temporary short-term charter stamp are valid for one day.

(4) A catch record card for halibut may not cost more than five dollars when purchased with an annual saltwater or combination fishing license and must be provided at no cost for those who purchase a one-day temporary saltwater fishing license or one-day temporary charter stamp.

(5) The department shall include provisions for recording marked and unmarked salmon in catch record cards issued after March 31, 2004.

~~((5))~~ (6)(a) The funds received from the sale of catch record cards, catch card penalty fees, and the Dungeness crab endorsement must be deposited into the state wildlife account created in RCW 77.12.170.

(i)(A) One dollar of the funds received from the sale of each Dungeness crab endorsement must be used for the removal and disposal of derelict shellfish gear either directly by the department or under contract with a third party. The department is required to maintain a separate accounting of these funds and provide an annual report to the commission and the legislature by January 1st of every year.

(B) The remaining portion of the funds received from the sale of each Dungeness crab endorsement must be used for education, sampling, monitoring, and management of catch associated with the Dungeness crab recreational fisheries.

(ii) Funds received from the sale of halibut catch record cards must be used for monitoring and management of recreational halibut fisheries, including expanding opportunities for recreational anglers.

(b) Moneys allocated under this section shall supplement and not supplant other federal, state, and local funds used for Dungeness crab recreational fisheries management.

Passed by the Senate March 5, 2018.

Passed by the House March 1, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 191

[Substitute Senate Bill 6133]

CAREER AND TECHNICAL EDUCATION--HIGH SCHOOLS--COURSE EQUIVALENCY
OPTIONS

AN ACT Relating to expanding statewide career and technical education course equivalency options; and amending RCW 28A.700.070.

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

Sec. 1. RCW 28A.700.070 and 2014 c 217 s 101 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 academic standards content (~~(in science, technology, engineering, and mathematics)~~) is considered equivalent in full or in part to ~~((science or mathematics))~~ the academic courses that meet high school graduation requirements. These courses may include equivalency to English language arts, mathematics, science, social studies, arts, world languages, or health and physical education. 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))~~ the most current Washington K-12 learning standards in English language arts, mathematics, science, arts, world languages, health and physical education, social studies, and required 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.

Passed by the Senate March 5, 2018.

Passed by the House March 2, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 192

[Substitute Senate Bill 6155]

BONE MARROW DONATION--DRIVER'S LICENSES AND IDENTICARDS

AN ACT Relating to bone marrow donation; amending RCW 70.54.280; adding a new section to chapter 46.20 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. The legislature finds that every three minutes an American child or adult is diagnosed with a potentially fatal blood disease. The legislature further finds that twenty percent to thirty-four percent of individuals with diverse heritage never find a match. For many of these individuals, bone marrow transplantation is the only chance for survival. The ultimate key to survivability lies in increasing the number of bone marrow donors across all ethnicities, thus increasing the potential for a suitable match. It is the intent of the legislature to increase awareness of the national bone marrow program statewide and to increase the number of Washington residents on the national marrow donor registry in order to increase the chance that all patients in need of bone marrow transplants will find a suitable bone marrow match.

NEW SECTION. Sec. 2. A new section is added to chapter 46.20 RCW to read as follows:

(1) The department shall provide each driver's license or identicard applicant with written materials regarding making a donation of bone marrow and being placed on the bone marrow donor registry at the completion of their licensing transaction.

(2) The department of licensing, in cooperation with the national marrow donor program and other appropriate organizations, shall place signage in each of the licensing service offices that provide background on the written materials that the applicant will receive regarding bone marrow donation. This will include a notice that any information provided by the driver's license or identicard applicant will be used solely for allowing the applicant to obtain information on becoming a possible bone marrow donor and will not be used for commercial or fund-raising purposes.

(3) No organization or third party may utilize the information obtained from this section for fund-raising or other commercial purposes.

Sec. 3. RCW 70.54.280 and 1992 c 109 s 2 are each amended to read as follows:

The department of health shall establish a bone marrow donor recruitment and education program to educate residents of the state about:

- (1) The need for bone marrow donors;
- (2) The procedures required to become registered as a potential bone marrow donor, including procedures for determining a person's tissue type; ~~((and))~~
- (3) The procedures a donor must undergo to donate bone marrow or other sources of blood stem cells; and
- (4) The ability to obtain information about bone marrow donation when applying for or renewing a personal driver's license or idencard with the department of licensing.

The department of health shall make special efforts to educate and recruit citizens from minority populations to volunteer as potential bone marrow donors. Means of communication may include use of press, radio, and television, and placement of educational materials in appropriate health care facilities, blood banks, and state and local agencies. The department of health in conjunction with the department of licensing shall make educational materials available at all places where and when drivers' licenses are issued or renewed.

By December 1, 2019, the department of health, in conjunction with the department of licensing, must provide a report to the appropriate committees of the legislature on the results and outcomes of the efforts in increasing public awareness of bone marrow donation and the number of individuals being placed on the bone marrow donor registry from Washington state as a result of section 2 of this act.

NEW SECTION. Sec. 4. This act takes effect July 1, 2018.

Passed by the Senate February 7, 2018.

Passed by the House February 27, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 193

[Engrossed Substitute Senate Bill 6157]

HEALTH CARRIER PRIOR AUTHORIZATION--PROVIDER VISITS

AN ACT Relating to prior authorization; and amending RCW 48.43.016.

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

Sec. 1. RCW 48.43.016 and 2015 c 251 s 2 are each amended to read as follows:

(1) A health carrier that imposes different prior authorization standards and criteria for a covered service among tiers of contracting providers of the same licensed profession in the same health plan shall inform an enrollee which tier an individual provider or group of providers is in by posting the information on its web site in a manner accessible to both enrollees and providers.

(2) A health carrier may not require prior authorization for an initial evaluation and management visit ~~((or an initial))~~ and up to six consecutive treatment visits with a contracting provider in a new episode of care of chiropractic, physical therapy, occupational therapy, East Asian medicine, massage therapy, or speech and hearing therapies that meet the standards of medical necessity and are subject to quantitative treatment limits of the health plan. Notwithstanding RCW 48.43.515(5) this section may not be interpreted to

limit the ability of a health plan to require a referral or prescription for the therapies listed in this section.

(3) A health carrier shall post on its web site and provide upon the request of a covered person or contracting provider any prior authorization standards, criteria, or information the carrier uses for medical necessity decisions.

(4) A health care provider with whom a health carrier consults regarding a decision to deny, limit, or terminate a person's covered health care services must hold a license, certification, or registration, in good standing and must be in the same or related health field as the health care provider being reviewed or of a specialty whose practice entails the same or similar covered health care service.

(5) A health carrier may not require a provider to provide a discount from usual and customary rates for health care services not covered under a health plan, policy, or other agreement, to which the provider is a party.

(6) For purposes of this section:

(a) "New episode of care" means treatment for a new or recurrent condition for which the enrollee has not been treated by the provider within the previous ninety days and is not currently undergoing any active treatment.

(b) "Contracting provider" does not include providers employed within an integrated delivery system operated by a carrier licensed under chapter 48.44 or 48.46 RCW.

Passed by the Senate February 12, 2018.

Passed by the House February 27, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 194

[Senate Bill 6159]

UNDERGROUND STORAGE TANK PROGRAM--REAUTHORIZATION

AN ACT Relating to the reauthorization of the underground storage tank program; and amending RCW 43.131.393, 43.131.394, and 70.149.040.

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

Sec. 1. RCW 43.131.393 and 2007 c 147 s 10 are each amended to read as follows:

The underground storage tank program shall be terminated on July 1, (~~2019~~) 2029, as provided in RCW 43.131.394.

Sec. 2. RCW 43.131.394 and 2007 c 147 s 11 are each amended to read as follows:

The following acts or parts of acts, as now existing or hereafter amended, are each repealed, effective July 1, (~~2020~~) 2030:

(1) RCW 90.76.005 and 2007 c 147 s 1 & 1989 c 346 s 1;

(2) RCW 90.76.010 and 2013 c 144 s 53, 2011 c 298 s 39, 2007 c 147 s 2, 1998 c 155 s 1, & 1989 c 346 s 2;

(3) RCW 90.76.020 and 2013 c 144 s 54, 2011 c 298 s 40, 2007 c 147 s 3, 1998 c 155 s 2, & 1989 c 346 s 3;

(4) RCW 90.76.040 and 1998 c 155 s 3 & 1989 c 346 s 5;

(5) RCW 90.76.050 and 2007 c 147 s 4, 1998 c 155 s 4, & 1989 c 346 s 6;

(6) RCW 90.76.060 and 1998 c 155 s 5 & 1989 c 346 s 7;

- (7) RCW 90.76.070 and 2007 c 147 s 5 & 1989 c 346 s 8;
- (8) RCW 90.76.080 and 2007 c 147 s 6, 1995 c 403 s 639, & 1989 c 346 s 9;
- (9) RCW 90.76.090 and 2007 c 147 s 7, 1998 c 155 s 6, & 1989 c 346 s 10;
- (10) RCW 90.76.100 and 1991 sp.s. c 13 s 72 & 1989 c 346 s 11;
- (11) RCW 90.76.110 and 2007 c 147 s 8, 1991 c 83 s 1, & 1989 c 346 s 12;
- (12) RCW 90.76.900 and 1989 c 346 s 15;
- (13) RCW 90.76.901 and 1989 c 346 s 14; and
- (14) RCW 90.76.902 and 1989 c 346 s 18.

Sec. 3. RCW 70.149.040 and 2017 c 23 s 4 are each amended to read as follows:

The director shall:

(1) Design a program, consistent with RCW 70.149.120, for providing pollution liability insurance for heating oil tanks that provides up to sixty thousand dollars per occurrence coverage and aggregate limits, not to exceed fifteen million dollars each calendar year, and protects the state of Washington from unwanted or unanticipated liability for accidental release claims;

(2) Administer, implement, and enforce the provisions of this chapter. To assist in administration of the program, the director is authorized to appoint up to two employees who are exempt from the civil service law, chapter 41.06 RCW, and who shall serve at the pleasure of the director;

(3) Administer the heating oil pollution liability trust account, as established under RCW 70.149.070;

(4) Employ and discharge, at his or her discretion, agents, attorneys, consultants, companies, organizations, and employees as deemed necessary, and to prescribe their duties and powers, and fix their compensation;

(5) Adopt rules under chapter 34.05 RCW as necessary to carry out the provisions of this chapter;

(6) Design and from time to time revise a reinsurance contract providing coverage to an insurer or insurers meeting the requirements of this chapter. The director is authorized to provide reinsurance through the pollution liability insurance program trust account;

(7) Solicit bids from insurers and select an insurer to provide pollution liability insurance for third-party bodily injury and property damage, and corrective action to owners and operators of heating oil tanks;

(8) Register, and design a means of accounting for, operating heating oil tanks;

(9) Implement a program to provide advice and technical assistance on the administrative and technical requirements of this chapter and chapter 70.105D RCW to persons who are conducting or otherwise interested in independent remedial actions at facilities where there is a suspected or confirmed release from the following petroleum storage tank systems: A heating oil tank; a decommissioned heating oil tank; an abandoned heating oil tank; or a petroleum storage tank system identified by the department of ecology based on the relative risk posed by the release to human health and the environment, as determined under chapter 70.105D RCW, or other factors identified by the department of ecology.

(a) Such advice or assistance is advisory only, and is not binding on the pollution liability insurance agency or the department of ecology. As part of this advice and assistance, the pollution liability insurance agency may provide

written opinions on whether independent remedial actions or proposals for these actions meet the substantive requirements of chapter 70.105D RCW, or whether the pollution liability insurance agency believes further remedial action is necessary at the facility. As part of this advice and assistance, the pollution liability insurance agency may also observe independent remedial actions.

(b) The agency is authorized to collect, from persons requesting advice and assistance, the costs incurred by the agency in providing such advice and assistance. The costs may include travel costs and expenses associated with review of reports and preparation of written opinions and conclusions. Funds from cost reimbursement must be deposited in the heating oil pollution liability trust account.

(c) The state of Washington, the pollution liability insurance agency, and its officers and employees are immune from all liability, and no cause of action arises from any act or omission in providing, or failing to provide, such advice, opinion, conclusion, or assistance;

(10) Establish a public information program to provide information regarding liability, technical, and environmental requirements associated with active and abandoned heating oil tanks;

(11) Monitor agency expenditures and seek to minimize costs and maximize benefits to ensure responsible financial stewardship;

(12) Study if appropriate user fees to supplement program funding are necessary and develop recommendations for legislation to authorize such fees;

(13) Establish requirements, including deadlines not to exceed ninety days, for reporting to the pollution liability insurance agency a suspected or confirmed release from a heating oil tank, including a decommissioned or abandoned heating oil tank, that may pose a threat to human health or the environment by the owner or operator of the heating oil tank or the owner of the property where the release occurred;

(14) Within ninety days of receiving information and having a reasonable basis to believe that there may be a release from a heating oil tank, including decommissioned or abandoned heating oil tanks, that may pose a threat to human health or the environment, perform an initial investigation to determine at a minimum whether such a release has occurred and whether further remedial action is necessary under chapter 70.105D RCW. The initial investigation may include, but is not limited to, inspecting, sampling, or testing. The director may retain contractors to perform an initial investigation on the agency's behalf;

(15) For any written opinion issued under subsection (9) of this section requiring an environmental covenant as part of the remedial action, consult with, and seek comment from, a city or county department with land use planning authority for real property subject to the environmental covenant prior to the property owner recording the environmental covenant; and

(16) For any property where an environmental covenant has been established as part of the remedial action approved under subsection (9) of this section, periodically review the environmental covenant for effectiveness. The director shall perform a review at least once every five years after an environmental covenant is recorded.

Passed by the Senate March 6, 2018.

Passed by the House February 28, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 195

[Substitute House Bill 2990]

TACOMA NARROWS BRIDGE--DEBT SERVICE PAYMENT PLAN

AN ACT Relating to the Tacoma Narrows bridge debt service payment plan; amending RCW 47.46.110; and adding new sections to chapter 47.46 RCW.

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

NEW SECTION. **Sec. 1.** A new section is added to chapter 47.46 RCW to read as follows:

(1) The legislature finds funding of the Tacoma Narrows bridge facility to be distinct from other Washington state tolling facilities due to its increasing debt service costs, which is the primary driver of the facility's escalating costs. Washington state has since recommended and established financing structures with steadier levels of debt service payments for subsequent tolled transportation facilities, supporting better management of the state's debt burden and a lower financial burden for toll ratepayers.

(2) The Tacoma Narrows bridge facility debt service structure resulted, in part, from a decision by the legislature to fund construction of the bridge without drawing from state tax dollars. As a result, toll revenue was committed to fund ninety-nine percent of bridge construction costs, as well as the associated interest payments and other associated debt service costs. This is not the standard more recently utilized by the legislature, as is the case of the state route 520 bridge's construction, seventy-two percent of which is to be paid for with toll revenues. In light of the maximum burden for bridge construction that was placed on Tacoma Narrows bridge toll ratepayers, there is no equitable reason that the burden of future debt service payment increases should be borne by these same toll ratepayers.

(3) The legislature established the Tacoma Narrows bridge work group in 2017 and tasked it with identifying opportunities for long-term toll payer relief from increasing toll rates on the Tacoma Narrows bridge. The work group recommended a request of up to one hundred twenty-five million dollars in state funding from the legislature to offset future debt service payment increases, allocated across the remaining years of tolling at levels that result in maintaining toll rates at fiscal year 2018 levels.

(4) Due to the findings aforementioned, an alternative is put forward by the legislature. State contribution loans for each fiscal biennium are to be made through the life of the debt service plan of up to a total of eighty-five million dollars, and will be repaid in annual amounts beginning after the debt service and deferred sales tax are fully repaid. It is the intent of the legislature that the commission will:

(a) Maintain tolls at no more than toll rates effective at the fiscal year 2018 level until fiscal year 2022; and

(b) Maintain tolls at no more than twenty-five cents higher than the toll rates effective at the fiscal year 2018 level beginning in fiscal year 2022 until such time as the debt service and deferred sales tax obligation is fully met according

to the repayment schedule in place as of the effective date of this section and until any state contribution loans are fully repaid.

(5) To offset part of the toll rate increases that would otherwise be necessary to meet increases in future debt service payments, it is the intent of the legislature that the state treasurer make state contribution loan transfers to the Tacoma Narrows toll bridge account created in RCW 47.56.165 on the first day of each fiscal biennium, beginning in the 2019-2021 fiscal biennium, through the life of the debt service plan. It is the intent of the legislature that the state treasurer make state contribution loan transfers in amounts necessary to ensure debt service payments are made in full after toll revenue from the Tacoma Narrows bridge toll facility is applied to the debt payment amounts and other required costs.

(6) This section does not create a private right of action.

NEW SECTION. Sec. 2. A new section is added to chapter 47.46 RCW to read as follows:

(1) Through 2031, the commission shall submit to the transportation committees of the legislature on an annual basis a report that includes sufficient information to enable the legislature to determine an adequate amount of contribution from nontoll sources required for each fiscal biennium to maintain tolls at no more than twenty-five cents higher than the toll rates effective at the fiscal year 2018 level, while also maintaining the debt service plan repayment schedule in place as of the effective date of this section. The report must be submitted by January 5th of each year.

(2) Beginning in 2031, and until such time as the state contribution loans described in section 1(4) of this act are repaid, the commission shall submit to the transportation committees of the legislature on an annual basis a report that includes information detailing the annual expected toll revenue to be used for repayment of the state contribution loans while maintaining tolls at no more than twenty-five cents higher than the toll rates effective at the fiscal year 2018 level. The report must be submitted by January 5th of each year.

(3) This section does not create a private right of action.

Sec. 3. RCW 47.46.110 and 2002 c 114 s 8 are each amended to read as follows:

(1) The commission shall retain toll charges on any existing and future facilities constructed under this chapter and financed primarily by bonds issued by the state until:

(a) All costs of investigation, financing, acquisition of property, and construction advanced from the motor vehicle fund have been fully repaid, except as provided in subsection (2)(b) of this section;

(b) Obligations incurred in constructing that facility have been fully paid; ~~((and))~~

(c) The motor vehicle fund is fully repaid under RCW 47.46.140; and

(d) The accounts from which moneys are provided to reduce the debt service according to section 1(5) of this act are fully repaid.

(2) This section does not:

(a) Prohibit the use of toll revenues to fund maintenance, operations, or management of facilities constructed under this chapter except as prohibited by RCW 47.56.245;

(b) Require repayment of funds specifically appropriated as a nonreimbursable state financial contribution to a project.

(3) Notwithstanding the provisions of subsection (2)(a) of this section, upon satisfaction of the conditions enumerated in subsection (1) of this section:

(a) The facility must be operated as a toll-free facility; and

(b) The operation, maintenance, upkeep, and repair of the facility must be paid from funds appropriated for the use of the department for the construction and maintenance of the primary state highways of the state of Washington.

Passed by the House March 8, 2018.

Passed by the Senate March 7, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 196

[Engrossed Substitute House Bill 1047]

UNWANTED MEDICATION DISPOSAL

AN ACT Relating to protecting the public's health by creating a system for safe and secure collection and disposal of unwanted medications; amending RCW 42.56.270 and 69.41.030; adding a new section to chapter 69.50 RCW; adding a new section to chapter 70.95 RCW; adding new sections to chapter 43.131 RCW; adding a new chapter to Title 69 RCW; creating a new section; prescribing penalties; and providing an expiration date.

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

NEW SECTION. Sec. 1. LEGISLATIVE FINDINGS. (1) Abuse, fatal overdoses, and poisonings from prescription and over-the-counter medicines used in the home have emerged as an epidemic in recent years. Poisoning is the leading cause of unintentional injury-related death in Washington, and more than ninety percent of poisoning deaths are due to drug overdoses. Poisoning by prescription and over-the-counter medicines is also one of the most common means of suicide and suicide attempts, with poisonings involved in more than twenty-eight thousand suicide attempts between 2004 and 2013.

(2) Home medicine cabinets are the most common source of prescription drugs that are diverted and misused. Studies find about seventy percent of those who abuse prescription medicines obtain the drugs from family members or friends, usually for free. People who are addicted to heroin often first abused prescription opiate medicines. Unused, unwanted, and expired medicines that accumulate in homes increase risks of drug abuse, overdoses, and preventable poisonings.

(3) A safe system for the collection and disposal of unused, unwanted, and expired medicines is a key element of a comprehensive strategy to prevent prescription drug abuse, but disposing of medicines by flushing them down the toilet or placing them in the garbage can contaminate groundwater and other bodies of water, contributing to long-term harm to the environment and animal life.

(4) The legislature therefore finds that it is in the interest of public health to establish a single, uniform, statewide system of regulation for safe and secure collection and disposal of medicines through a uniform drug "take-back" program operated and funded by drug manufacturers.

NEW SECTION. **Sec. 2. DEFINITIONS.** The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Administer" means the direct application of a legend drug whether by injection, inhalation, ingestion, or any other means, to the body of the patient or research subject by:

(a) A practitioner; or

(b) The patient or research subject at the direction of the practitioner.

(2) "Authorized collector" means any of the following persons or entities that have entered into an agreement with a program operator to collect covered drugs:

(a) A person or entity that is registered with the United States drug enforcement administration and that qualifies under federal law to modify its registration to collect controlled substances for the purpose of destruction;

(b) A law enforcement agency; or

(c) An entity authorized by the department to provide an alternative collection mechanism for certain covered drugs that are not controlled substances, as defined in RCW 69.50.101.

(3) "Collection site" means the location where an authorized collector operates a secure collection receptacle for collecting covered drugs.

(4)(a) "Covered drug" means a drug from a covered entity that the covered entity no longer wants and that the covered entity has abandoned or discarded or intends to abandon or discard. "Covered drug" includes legend drugs and nonlegend drugs, brand name and generic drugs, drugs for veterinary use for household pets, and drugs in medical devices and combination products.

(b) "Covered drug" does not include:

(i) Vitamins, minerals, or supplements;

(ii) Herbal-based remedies and homeopathic drugs, products, or remedies;

(iii) Controlled substances contained in schedule I of the uniform controlled substances act, chapter 69.50 RCW;

(iv) Cosmetics, shampoos, sunscreens, lip balm, toothpaste, antiperspirants, or other personal care products that are regulated as both cosmetics and nonprescription drugs under the federal food, drug, and cosmetic act, 21 U.S.C. Sec. 301 et seq.;

(v) Drugs for which manufacturers provide a pharmaceutical product stewardship or drug take-back program as part of a federal food and drug administration managed risk evaluation and mitigation strategy under 21 U.S.C. Sec. 355-1;

(vi) Biological drug products, as defined by 21 C.F.R. 600.3 (h) as it exists on the effective date of this section, for which manufacturers provide a pharmaceutical product stewardship or drug take-back program and who provide the department with a report describing the program, including how the drug product is collected and safely disposed and how patients are made aware of the drug take-back program, and who updates the department on changes that substantially alter their drug take-back program;

(vii) Drugs that are administered in a clinical setting;

(viii) Emptied injector products or emptied medical devices and their component parts or accessories;

(ix) Exposed needles or sharps, or used drug products that are medical wastes; or

(x) Pet pesticide products contained in pet collars, powders, shampoos, topical applications, or other forms.

(5) "Covered entity" means a state resident or other nonbusiness entity and includes an ultimate user, as defined by regulations adopted by the United States drug enforcement administration. "Covered entity" does not include a business generator of pharmaceutical waste, such as a hospital, clinic, health care provider's office, veterinary clinic, pharmacy, or law enforcement agency.

(6) "Covered manufacturer" means a person, corporation, or other entity engaged in the manufacture of covered drugs sold in or into Washington state. "Covered manufacturer" does not include:

(a) A private label distributor or retail pharmacy that sells a drug under the retail pharmacy's store label if the manufacturer of the drug is identified under section 4 of this act;

(b) A repackager if the manufacturer of the drug is identified under section 4 of this act; or

(c) A nonprofit, 501(c)(3) health care corporation that repackages drugs solely for the purpose of supplying a drug to facilities or retail pharmacies operated by the corporation or an affiliate of the corporation if the manufacturer of the drug is identified under section 4 of this act.

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

(8)(a) "Drug" means:

(a) Substances recognized as drugs in the official United States pharmacopoeia, official homeopathic pharmacopoeia of the United States, or official national formulary, or any supplement to any of them;

(b) Substances intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in human beings or animals;

(c) Substances other than food, minerals, or vitamins that are intended to affect the structure or any function of the body of human beings or animals; and

(d) Substances intended for use as a component of any article specified in (a), (b), or (c) of this subsection.

(9) "Drug take-back organization" means an organization designated by a manufacturer or group of manufacturers to act as an agent on behalf of each manufacturer to develop and implement a drug take-back program.

(10) "Drug take-back program" or "program" means a program implemented by a program operator for the collection, transportation, and disposal of covered drugs.

(11) "Drug wholesaler" means an entity licensed as a wholesaler under chapter 18.64 RCW.

(12) "Generic drug" means a drug that is chemically identical or bioequivalent to a brand name drug in dosage form, safety, strength, route of administration, quality, performance characteristics, and intended use. The inactive ingredients in a generic drug need not be identical to the inactive ingredients in the chemically identical or bioequivalent brand name drug.

(13) "Legend drug" means a drug, including a controlled substance under chapter 69.50 RCW, that is required by any applicable federal or state law or regulation to be dispensed by prescription only or that is restricted to use by practitioners only.

(14) "Mail-back distribution location" means a facility, such as a town hall or library, that offers prepaid, preaddressed mailing envelopes to covered entities.

(15) "Mail-back program" means a method of collecting covered drugs from covered entities by using prepaid, preaddressed mailing envelopes.

(16) "Manufacture" has the same meaning as in RCW 18.64.011.

(17) "Nonlegend drug" means a drug that may be lawfully sold without a prescription.

(18) "Pharmacy" means a place licensed as a pharmacy under chapter 18.64 RCW.

(19) "Private label distributor" means a company that has a valid labeler code under 21 C.F.R. Sec. 207.17 and markets a drug product under its own name, but does not perform any manufacturing.

(20) "Program operator" means a drug take-back organization, covered manufacturer, or group of covered manufacturers that implements or intends to implement a drug take-back program approved by the department.

(21) "Repackager" means a person who owns or operates an establishment that repacks and relabels a product or package containing a covered drug for further sale, or for distribution without further transaction.

(22) "Retail pharmacy" means a place licensed as a pharmacy under chapter 18.64 RCW for the retail sale and dispensing of drugs.

(23) "Secretary" means the secretary of health.

NEW SECTION. Sec. 3. REQUIREMENT TO PARTICIPATE IN A DRUG TAKE-BACK PROGRAM. A covered manufacturer must establish and implement a drug take-back program that complies with the requirements of this chapter. A manufacturer that becomes a covered manufacturer after the effective date of this section must, no later than six months after the date on which the manufacturer became a covered manufacturer, participate in an approved drug take-back program or establish and implement a drug take-back program that complies with the requirements of this chapter. A covered manufacturer may establish and implement a drug take-back program independently, as part of a group of covered manufacturers, or through membership in a drug take-back organization.

NEW SECTION. Sec. 4. IDENTIFICATION OF COVERED MANUFACTURERS. (1) No later than ninety days after the effective date of this section, a drug wholesaler that sells a drug in or into Washington must provide a list of drug manufacturers to the department in a form agreed upon with the department. A drug wholesaler must provide an updated list to the department on January 15th of each year.

(2) No later than ninety days after the effective date of this section, a retail pharmacy, private label distributor, or repackager must provide written notification to the department identifying the drug manufacturer from which the retail pharmacy, private label distributor, or repackager obtains a drug that it sells under its own label.

(3) A person or entity that receives a letter of inquiry from the department regarding whether or not it is a covered manufacturer under this chapter shall respond in writing no later than sixty days after receipt of the letter. If the person or entity does not believe it is a covered manufacturer for purposes of this

chapter, it shall: (a) State the basis for the belief; (b) provide a list of any drugs it sells, distributes, repackages, or otherwise offers for sale within the state; and (c) identify the name and contact information of the manufacturer of the drugs identified under (b) of this subsection.

NEW SECTION. Sec. 5. DRUG TAKE-BACK PROGRAM APPROVAL.

(1) By July 1, 2019, a program operator must submit a proposal for the establishment and implementation of a drug take-back program to the department for approval. The department shall approve a proposed program if the applicant submits a completed application, the proposed program meets the requirements of subsection (2) of this section, and the applicant pays the appropriate fee established by the department under section 12 of this act.

(2) To be approved by the department, a proposed drug take-back program must:

(a) Identify and provide contact information for the program operator and each participating covered manufacturer;

(b) Identify and provide contact information for the authorized collectors for the proposed program, as well as the reasons for excluding any potential authorized collectors from participation in the program;

(c) Provide for a collection system that complies with section 6 of this act;

(d) Provide for a handling and disposal system that complies with section 8 of this act;

(e) Identify any transporters and waste disposal facilities that the program will use;

(f) Adopt policies and procedures to be followed by persons handling covered drugs collected under the program to ensure safety, security, and compliance with regulations adopted by the United States drug enforcement administration, as well as any applicable laws;

(g) Ensure the security of patient information on drug packaging during collection, transportation, recycling, and disposal;

(h) Promote the program by providing consumers, pharmacies, and other entities with educational and informational materials as required by section 7 of this act;

(i) Demonstrate adequate funding for all administrative and operational costs of the drug take-back program, with costs apportioned among participating covered manufacturers;

(j) Set long-term and short-term goals with respect to collection amounts and public awareness; and

(k) Consider: (i) The use of existing providers of pharmaceutical waste transportation and disposal services; (ii) separation of covered drugs from packaging to reduce transportation and disposal costs; and (iii) recycling of drug packaging.

(3)(a) No later than one hundred twenty days after receipt of a drug take-back program proposal, the department shall either approve or reject the proposal in writing to the applicant. The department may extend the deadline for approval or rejection of a proposal for good cause. If the department rejects the proposal, it shall provide the reason for rejection.

(b) No later than ninety days after receipt of a notice of rejection under (a) of this subsection, the applicant shall submit a revised proposal to the department. The department shall either approve or reject the revised proposal in

writing to the applicant within ninety days after receipt of the revised proposal, including the reason for rejection, if applicable.

(c) If the department rejects a revised proposal, the department may:

(i) Require the program operator to submit a further revised proposal;

(ii) Develop and impose changes to some or all of the revised proposal to address deficiencies;

(iii) Require the covered manufacturer or covered manufacturers that proposed the rejected revised proposal to participate in a previously approved drug take-back program; or

(iv) Find the covered manufacturer out of compliance with the requirements of this chapter and take enforcement action as provided in section 11 of this act.

(4) The program operator must initiate operation of an approved drug take-back program no later than one hundred eighty days after approval of the proposal by the department.

(5)(a) Proposed changes to an approved drug take-back program that substantially alter program operations must have prior written approval of the department. A program operator must submit to the department such a proposed change in writing at least fifteen days before the change is scheduled to occur. Changes requiring prior approval of the department include changes to participating covered manufacturers, collection methods, achievement of the service convenience goal described in section 6 of this act, policies and procedures for handling covered drugs, education and promotion methods, and selection of disposal facilities.

(b) For changes to a drug take-back program that do not substantially alter program operations, a program operator must notify the department at least seven days before implementing the change. Changes that do not substantially alter program operations include changes to collection site locations, methods for scheduling and locating periodic collection events, and methods for distributing prepaid, preaddressed mailers.

(c) A program operator must notify the department of any changes to the official point of contact for the program no later than fifteen days after the change. A program operator must notify the department of any changes in ownership or contact information for participating covered manufacturers no later than ninety days after such change.

(6) No later than four years after a drug take-back program initiates operations, and every four years thereafter, the program operator must submit an updated proposal to the department describing any substantive changes to program elements described in subsection (2) of this section. The department shall approve or reject the updated proposal using the process described in subsection (3) of this section.

(7) The department shall make all proposals submitted under this section available to the public and shall provide an opportunity for written public comment on each proposal.

NEW SECTION. Sec. 6. COLLECTION SYSTEM. (1)(a) At least one hundred twenty days prior to submitting a proposal under section 5 of this act, a program operator must notify potential authorized collectors of the opportunity to serve as an authorized collector for the proposed drug take-back program. A program operator must commence good faith negotiations with a potential

authorized collector no later than thirty days after the potential authorized collector expresses interest in participating in a proposed program.

(b) A person or entity may serve as an authorized collector for a drug take-back program voluntarily or in exchange for compensation, but nothing in this chapter requires a person or entity to serve as an authorized collector.

(c) A drug take-back program must include as an authorized collector any retail pharmacy, hospital or clinic with an on-site pharmacy, or law enforcement agency that offers to participate in the program without compensation and meets the requirements of subsection (2) of this section. Such a pharmacy, hospital, clinic, or law enforcement agency must be included as an authorized collector in the program no later than ninety days after receiving the offer to participate.

(d) A drug take-back program may also locate collection sites at:

(i) A long-term care facility where a pharmacy, or a hospital or clinic with an on-site pharmacy, operates a secure collection receptacle;

(ii) A substance use disorder treatment program, as defined in RCW 71.24.025; or

(iii) Any other authorized collector willing to participate as a collection site and able to meet the requirements of subsection (2) of this section.

(2)(a) A collection site must accept all covered drugs from covered entities during the hours that the authorized collector is normally open for business with the public.

(b) A collection site located at a long-term care facility may only accept covered drugs that are in the possession of individuals who reside or have resided at the facility.

(c) A collection site must use secure collection receptacles in compliance with state and federal law, including any applicable on-site storage and collection standards adopted by rule pursuant to chapter 70.95 or 70.105 RCW and United States drug enforcement administration regulations. The program operator must provide a service schedule that meets the needs of each collection site to ensure that each secure collection receptacle is serviced as often as necessary to avoid reaching capacity and that collected covered drugs are transported to final disposal in a timely manner, including a process for additional prompt collection service upon notification from the collection site. Secure collection receptacle signage must prominently display a toll-free telephone number and web site for the program so that members of the public may provide feedback on collection activities.

(d) An authorized collector must comply with applicable provisions of chapters 70.95 and 70.105 RCW, including rules adopted pursuant to those chapters that establish collection and transportation standards, and federal laws and regulations governing the handling of covered drugs, including United States drug enforcement administration regulations.

(3)(a) A drug take-back program's collection system must be safe, secure, and convenient on an ongoing, year-round basis and must provide equitable and reasonably convenient access for residents across the state.

(b) In establishing and operating a collection system, a program operator must give preference to locating collection sites at retail pharmacies, hospitals or clinics with on-site pharmacies, and law enforcement agencies.

(c)(i) Each population center must have a minimum of one collection site, plus one additional collection site for every fifty thousand residents of the city or

town located within the population center. Collection sites must be geographically distributed to provide reasonably convenient and equitable access to all residents of the population center.

(ii) On islands and in areas outside of population centers, a collection site must be located at the site of each potential authorized collector that is regularly open to the public, unless the program operator demonstrates to the satisfaction of the department that a potential authorized collector is unqualified or unwilling to participate in the drug take-back program, in accordance with the requirements of subsection (1) of this section.

(iii) For purposes of this section, "population center" means a city or town and the unincorporated area within a ten-mile radius from the center of the city or town.

(d) A program operator must establish mail-back distribution locations or hold periodic collection events to supplement service to any area of the state that is underserved by collection sites, as determined by the department, in consultation with the local health jurisdiction. The program operator, in consultation with the department, local law enforcement, the local health jurisdiction, and the local community, must determine the number and locations of mail-back distribution locations or the frequency and location of these collections events, to be held at least twice a year, unless otherwise determined through consultation with the local community. The program must arrange any periodic collection events in advance with local law enforcement agencies and conduct periodic collection events in compliance with United States drug enforcement administration regulations and protocols and applicable state laws.

(e) Upon request, a drug take-back program must provide a mail-back program free of charge to covered entities and to retail pharmacies that offer to distribute prepaid, preaddressed mailing envelopes for the drug take-back program. A drug take-back program must permit covered entities to request prepaid, preaddressed mailing envelopes through the program's web site, the program's toll-free telephone number, and a request to a pharmacist at a retail pharmacy distributing the program's mailing envelopes.

(f) The program operator must provide alternative collection methods for any covered drugs, other than controlled substances, that cannot be accepted or commingled with other covered drugs in secure collection receptacles, through a mail-back program, or at periodic collection events, to the extent permissible under applicable state and federal laws. The department shall review and approve of any alternative collection methods prior to their implementation.

NEW SECTION. Sec. 7. DRUG TAKE-BACK PROGRAM PROMOTION. (1) A drug take-back program must develop and provide a system of promotion, education, and public outreach about the safe storage and secure collection of covered drugs. This system may include signage, written materials to be provided at the time of purchase or delivery of covered drugs, and advertising or other promotional materials. At a minimum, each program must:

(a) Promote the safe storage of legend drugs and nonlegend drugs by residents before secure disposal through a drug take-back program;

(b) Discourage residents from disposing of covered drugs in solid waste collection, sewer, or septic systems;

(c) Promote the use of the drug take-back program so that where and how to return covered drugs is widely understood by residents, pharmacists, retail pharmacies, health care facilities and providers, veterinarians, and veterinary hospitals;

(d) Establish a toll-free telephone number and web site publicizing collection options and collection sites and discouraging improper disposal practices for covered drugs, such as flushing them or placing them in the garbage;

(e) Prepare educational and outreach materials that: Promote safe storage of covered drugs; discourage the disposal of covered drugs in solid waste collection, sewer, or septic systems; and describe how to return covered drugs to the drug take-back program. The materials must use plain language and explanatory images to make collection services and discouraged disposal practices readily understandable to all residents, including residents with limited English proficiency;

(f) Disseminate the educational and outreach materials described in (e) of this subsection to pharmacies, health care facilities, and other interested parties for dissemination to covered entities;

(g) Work with authorized collectors to develop a readily recognizable, consistent design of collection receptacles, as well as clear, standardized instructions for covered entities on the use of collection receptacles. The department may provide guidance to program operators on the development of the instructions and design; and

(h) Annually report on its promotion, outreach, and public education activities in its annual report required by section 10 of this act.

(2) If more than one drug take-back program is approved by the department, the programs must coordinate their promotional activities to ensure that all state residents can easily identify, understand, and access the collection services provided by any drug take-back program. Coordination efforts must include providing residents with a single toll-free telephone number and single web site to access information about collection services for every approved program.

(3) Pharmacies and other entities that sell medication in the state are encouraged to promote secure disposal of covered drugs through the use of one or more approved drug take-back programs. Upon request, a pharmacy must provide materials explaining the use of approved drug take-back programs to its customers. The program operator must provide pharmacies with these materials upon request and at no cost to the pharmacy.

(4) The department, the health care authority, the department of social and health services, the department of ecology, and any other state agency that is responsible for health, solid waste management, and wastewater treatment shall, through their standard educational methods, promote safe storage of prescription and nonprescription drugs by covered entities, secure disposal of covered drugs through a drug take-back program, and the toll-free telephone number and web site for approved drug take-back programs. Local health jurisdictions and local government agencies are encouraged to promote approved drug take-back programs.

(5) The department:

(a) Shall conduct a survey of covered entities and a survey of pharmacists, health care providers, and veterinarians who interact with covered entities on the

use of medicines after the first full year of operation of the drug take-back program, and again every two years thereafter. Survey questions must: Measure consumer awareness of the drug take-back program; assess the extent to which collection sites and other collection methods are convenient and easy to use; assess knowledge and attitudes about risks of abuse, poisonings, and overdoses from drugs used in the home; and assess covered entities' practices with respect to unused, unwanted, or expired drugs, both currently and prior to implementation of the drug take-back program; and

(b) May, upon review of results of public awareness surveys, direct a program operator for an approved drug take-back program to modify the program's promotion and outreach activities to better achieve widespread awareness among Washington state residents and health care professionals about where and how to return covered drugs to the drug take-back program.

NEW SECTION. Sec. 8. DISPOSAL AND HANDLING OF COVERED DRUGS. (1) Covered drugs collected under a drug take-back program must be disposed of at a permitted hazardous waste disposal facility that meets the requirements of 40 C.F.R. parts 264 and 265, as they exist on the effective date of this section.

(2) If use of a hazardous waste disposal facility described in subsection (1) of this section is unfeasible based on cost, logistics, or other considerations, the department, in consultation with the department of ecology, may grant approval for a program operator to dispose of some or all collected covered drugs at a permitted large municipal waste combustor facility that meets the requirements of 40 C.F.R. parts 60 and 62, as they exist on the effective date of this section.

(3) A program operator may petition the department for approval to use final disposal technologies or processes that provide superior environmental and human health protection than that provided by the technologies described in subsections (1) and (2) of this section, or equivalent protection at less cost. In reviewing a petition under this subsection, the department shall take into consideration regulations or guidance issued by the United States environmental protection agency on the disposal of pharmaceutical waste. The department, in consultation with the department of ecology, shall approve a disposal petition under this section if the disposal technology or processes described in the petition provides equivalent or superior protection in each of the following areas:

- (a) Monitoring of any emissions or waste;
- (b) Worker health and safety;
- (c) Air, water, or land emissions contributing to persistent, bioaccumulative, and toxic pollution; and
- (d) Overall impact to the environment and human health.

(4) If a drug take-back program encounters a safety or security problem during collection, transportation, or disposal of covered drugs, the program operator must notify the department as soon as practicable after encountering the problem.

NEW SECTION. Sec. 9. PROGRAM FUNDING. (1) A covered manufacturer or group of covered manufacturers must pay all administrative and operational costs associated with establishing and implementing the drug take-back program in which they participate. Such administrative and operational costs include, but are not limited to: Collection and transportation supplies for

each collection site; purchase of secure collection receptacles for each collection site; ongoing maintenance or replacement of secure collection receptacles when requested by authorized collectors; prepaid, preaddressed mailers; compensation of authorized collectors, if applicable; operation of periodic collection events, including the cost of law enforcement staff time; transportation of all collected covered drugs to final disposal; environmentally sound disposal of all collected covered drugs in compliance with section 8 of this act; and program promotion and outreach.

(2) A program operator, covered manufacturer, authorized collector, or other person may not charge:

(a) A specific point-of-sale fee to consumers to recoup the costs of a drug take-back program; or

(b) A specific point-of-collection fee at the time covered drugs are collected from covered entities.

NEW SECTION. **Sec. 10.** ANNUAL PROGRAM REPORT. (1) By July 1st after the first full year of implementation, and each July 1st thereafter, a program operator must submit to the department a report describing implementation of the drug take-back program during the previous calendar year. The report must include:

(a) A list of covered manufacturers participating in the drug take-back program;

(b) The amount, by weight, of covered drugs collected, including the amount by weight from each collection method used;

(c) The following details regarding the program's collection system: A list of collection sites with addresses; the number of mailers provided; locations where mailers were provided, if applicable; dates and locations of collection events held, if applicable; and the transporters and disposal facility or facilities used;

(d) Whether any safety or security problems occurred during collection, transportation, or disposal of covered drugs, and if so, completed and anticipated changes to policies, procedures, or tracking mechanisms to address the problem and improve safety and security;

(e) A description of the public education, outreach, and evaluation activities implemented;

(f) A description of how collected packaging was recycled to the extent feasible;

(g) A summary of the program's goals for collection amounts and public awareness, the degree of success in meeting those goals, and if any goals have not been met, what effort will be made to achieve those goals the following year; and

(h) The program's annual expenditures, itemized by program category.

(2) Within thirty days after each annual period of operation of an approved drug take-back program, the program operator shall submit an annual collection amount report to the department that provides the total amount, by weight, of covered drugs collected from each collection site during the prior year.

(3) The department shall make reports submitted under this section available to the public through the internet.

NEW SECTION. Sec. 11. ENFORCEMENT AND PENALTIES. (1) The department may audit or inspect the activities and records of a drug take-back program to determine compliance with this chapter or investigate a complaint.

(2)(a) The department shall send a written notice to a covered manufacturer that fails to participate in a drug take-back program as required by this chapter. The notice must provide a warning regarding the penalties for violation of this chapter.

(b) A covered manufacturer that receives a notice under this subsection (2) may be assessed a penalty if, sixty days after receipt of the notice, the covered manufacturer continues to sell a covered drug in or into the state without participating in a drug take-back program approved under this chapter.

(3)(a) The department may send a program operator a written notice warning of the penalties for noncompliance with this chapter if it determines that the program operator's drug take-back program is in violation of this chapter or does not conform to the proposal approved by the department. The department may assess a penalty on the program operator and participating covered manufacturers if the program does not come into compliance by thirty days after receipt of the notice.

(b) The department may immediately suspend operation of a drug take-back program and assess a penalty if it determines that the program is in violation of this chapter and the violation creates a condition that, in the judgment of the department, constitutes an immediate hazard to the public or the environment.

(4)(a) The department shall send a written notice to a drug wholesaler or a retail pharmacy that fails to provide a list of drug manufacturers to the department as required by section 4 of this act. The notice must provide a warning regarding the penalties for violation of this chapter.

(b) A drug wholesaler or retail pharmacy that receives a notice under this subsection may be assessed a penalty if, sixty days after receipt of the notice, the drug wholesaler or retail pharmacy fails to provide a list of drug manufacturers.

(5) In enforcing the requirements of this chapter, the department:

(a) May require an informal administrative conference;

(b) May require a person or entity to engage in or refrain from engaging in certain activities pertaining to this chapter;

(c) May, in accordance with RCW 43.70.095, assess a civil fine of up to two thousand dollars. Each day upon which a violation occurs or is permitted to continue constitutes a separate violation. In determining the appropriate amount of the fine, the department shall consider the extent of harm caused by the violation, the nature and persistence of the violation, the frequency of past violations, any action taken to mitigate the violation, and the financial burden to the entity in violation; and

(d) May not prohibit a covered manufacturer from selling a drug in or into the state of Washington.

NEW SECTION. Sec. 12. DEPARTMENT FEE. (1)(a) By July 1, 2019, the department shall: Determine its costs for the administration, oversight, and enforcement of the requirements of this chapter, including the survey required under section 20 of this act; pursuant to RCW 43.70.250, set fees at a level sufficient to recover the costs associated with administration, oversight, and enforcement; and adopt rules establishing requirements for program operator proposals.

(b) The department shall not impose any fees in excess of its actual administrative, oversight, and enforcement costs. The fees collected from each program operator in calendar year 2020 and any subsequent year may not exceed ten percent of the program's annual expenditures as reported to the department in the annual report required by section 10 of this act and determined by the department.

(c) Adjustments to the department's fees may be made annually and shall not exceed actual administration, oversight, and enforcement costs. Adjustments for inflation may not exceed the percentage change in the consumer price index for all urban consumers in the United States as calculated by the United States department of labor as averaged by city for the twelve-month period ending with June of the previous year.

(d) The department shall collect fees from each program operator by October 1, 2019, and annually thereafter.

(2) All fees collected under this section must be deposited in the secure drug take-back program account established in section 13 of this act.

NEW SECTION. Sec. 13. SECURE DRUG TAKE-BACK PROGRAM ACCOUNT. The secure drug take-back program account is created in the state treasury. All receipts received by the department under this chapter must be deposited in the account. Moneys in the account may be spent only after appropriation. Expenditures from the account may be used by the department only for administering and enforcing this chapter.

NEW SECTION. Sec. 14. ANTITRUST IMMUNITY. The activities authorized by this chapter require collaboration among covered manufacturers. These activities will enable safe and secure collection and disposal of covered drugs in Washington state and are therefore in the best interest of the public. 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 department 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.

NEW SECTION. Sec. 15. FEDERAL LAW. This chapter is void if a federal law, or a combination of federal laws, takes effect that establishes a national program for the collection of covered drugs that substantially meets the intent of this chapter, including the creation of a funding mechanism for collection, transportation, and proper disposal of all covered drugs in the United States.

NEW SECTION. Sec. 16. LOCAL LAWS. (1)(a) For a period of twelve months after a drug take-back program approved under section 5 of this act begins operating, a county may enforce a grandfathered ordinance. During that twelve-month period, if a county determines that a covered manufacturer is in compliance with its grandfathered ordinance, the department shall find the covered manufacturer in compliance with the requirements of this chapter with respect to that county.

(b) In any county enforcing a grandfathered ordinance as described in (a) of this subsection, the program operator of an approved drug take-back program must work with the county and the department to incorporate the local program into the approved drug take-back program on or before the end of the twelve-month period.

(2) After the effective date of this section, a political subdivision may not enact or enforce a local ordinance that requires a retail pharmacy, clinic, hospital, or local law enforcement agency to provide for collection and disposal of covered drugs from covered entities.

(3) At the end of the twelve-month period provided in subsection (1) of this section, this chapter preempts all existing or future laws enacted by a county, city, town, or other political subdivision of the state regarding a drug take-back program or other program for the collection, transportation, and disposal of covered drugs, or promotion, education, and public outreach relating to such a program.

(4) For purposes of this section, "grandfathered ordinance" means a pharmaceutical product stewardship or drug take-back ordinance that: (a) Is in effect on the effective date of this section; and (b) the department determines meets or exceeds the requirements of this chapter with respect to safe and secure collection and disposal of unwanted medicines from residents, including the types of drugs covered by the program, the convenience of the collection system for residents, and required promotion of the program.

NEW SECTION. Sec. 17. PUBLIC DISCLOSURE. Proprietary information submitted to the department under this chapter is exempt from public disclosure under RCW 42.56.270. The department may use and disclose such information in summary or aggregated form that does not directly or indirectly identify financial, production, or sales data of an individual covered manufacturer or drug take-back organization.

NEW SECTION. Sec. 18. RULE MAKING. The department shall adopt any rules necessary to implement and enforce this chapter.

NEW SECTION. Sec. 19. REPORT TO LEGISLATURE. (1) No later than thirty days after the department first approves a drug take-back program under section 5 of this act, the department shall submit an update to the legislature describing rules adopted under this chapter and the approved drug take-back program.

(2) By November 15th after the first full year of operation of an approved drug take-back program and biennially thereafter, the department shall submit a report to the legislature. The report must:

(a) Describe the status of approved drug take-back programs;

(b) Evaluate the secure medicine collection and disposal system and the program promotion, education, and public outreach requirements established by this chapter;

(c) Evaluate, in conjunction with an academic institution that is not an agency of the state and is qualified to conduct and evaluate research relating to prescription and nonprescription drug use and abuse and environmental impact, to the extent feasible, the impact of approved drug take-back programs on: Awareness and compliance of residents with safe storage of medicines in the home and secure disposal of covered drugs; rates of misuse, abuse, overdoses,

and poisonings from prescription and nonprescription drugs; and diversions of covered drugs from sewer, solid waste, and septic systems. To conduct this evaluation, the department and the academic institution may rely on available data sources, including the public awareness surveys required under this chapter, and the prescription drug monitoring program and public health surveys such as the Washington state healthy youth survey. The department and the academic institution may also consult with other state and local agencies and interested stakeholders; and

(d) Provide any recommendations for legislation.

NEW SECTION. Sec. 20. (1)(a) The department shall contract with the statewide program of poison and drug information services identified in RCW 18.76.030 to conduct a survey of residents to measure whether the secure medicine collection and disposal system and the program promotion, education, and public outreach requirements established in this chapter have led to statistically significant changes in: (i) Resident attitudes and behavior on safe storage and secure disposal of prescription and nonprescription medications used in the home; and (ii) the rates of abuse or misuse of or accidental exposure to prescription and nonprescription drugs.

(b) The survey of residents must include telephone follow-up with users of the program's emergency telephone service. The survey must be conducted before the secure medicine collection and disposal system is implemented and again no earlier than four years after the system is implemented.

(2) The statewide program of poison and drug information services shall report the survey results to the legislature and the department of health within six months of completion of the survey.

(3) This section expires July 1, 2026.

Sec. 21. RCW 42.56.270 and 2017 c 317 s 17 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) Market share data submitted by a manufacturer under RCW 70.95N.190(4);

(22) Financial information supplied to the department of financial institutions or to a portal under RCW 21.20.883, when filed by or on behalf of an issuer of securities for the purpose of obtaining the exemption from state securities registration for small securities offerings provided under RCW 21.20.880 or when filed by or on behalf of an investor for the purpose of purchasing such securities;

(23) Unaggregated or individual notices of a transfer of crude oil that is financial, proprietary, or commercial information, submitted to the department of ecology pursuant to RCW 90.56.565(1)(a), and that is in the possession of the department of ecology or any entity with which the department of ecology has shared the notice pursuant to RCW 90.56.565;

(24) Financial institution and retirement account information, and building security plan information, supplied to the liquor and cannabis board pursuant to

RCW 69.50.325, 69.50.331, 69.50.342, and 69.50.345, when filed by or on behalf of a licensee or prospective licensee for the purpose of obtaining, maintaining, or renewing a license to produce, process, transport, or sell marijuana as allowed under chapter 69.50 RCW;

(25) Marijuana transport information, vehicle and driver identification data, and account numbers or unique access identifiers issued to private entities for traceability system access, submitted by an individual or business to the liquor and cannabis board under the requirements of RCW 69.50.325, 69.50.331, 69.50.342, and 69.50.345 for the purpose of marijuana product traceability. Disclosure to local, state, and federal officials is not considered public disclosure for purposes of this section;

(26) Financial and commercial information submitted to or obtained by the retirement board of any city that is responsible for the management of an employees' retirement system pursuant to the authority of chapter 35.39 RCW, 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 retirement fund or to result in private loss to the providers of this information except that (a) the names and commitment amounts of the private funds in which retirement funds are invested and (b) the aggregate quarterly performance results for a retirement fund's portfolio of investments in such funds are subject to disclosure;

(27) Proprietary financial, commercial, operations, and technical and research information and data submitted to or obtained by the liquor and cannabis board in applications for marijuana research licenses under RCW 69.50.372, or in reports submitted by marijuana research licensees in accordance with rules adopted by the liquor and cannabis board under RCW 69.50.372; ~~((and))~~

(28) Trade secrets, technology, proprietary information, and financial considerations contained in any agreements or contracts, entered into by a licensed marijuana business under RCW 69.50.395, which may be submitted to or obtained by the state liquor and cannabis board; and

(29) Proprietary information filed with the department of health under chapter 69.--- RCW (the new chapter created in section 25 of this act).

Sec. 22. RCW 69.41.030 and 2016 c 148 s 11 are each amended to read as follows:

(1) It shall be unlawful for any person to sell, deliver, or possess any legend drug except upon the order or prescription of a physician under chapter 18.71 RCW, an osteopathic physician and surgeon under chapter 18.57 RCW, an optometrist licensed under chapter 18.53 RCW who is certified by the optometry board under 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 commissioned medical or dental officer in the United States armed forces or public health service in the discharge of his or her official duties, a duly licensed physician or dentist employed by the veterans administration in the discharge of his or her official duties, a registered nurse or advanced registered nurse practitioner under chapter 18.79 RCW when authorized by the nursing care quality assurance commission, a pharmacist licensed under chapter 18.64 RCW to the extent permitted by drug therapy guidelines or protocols established under RCW 18.64.011 and authorized by the commission and

approved by a practitioner authorized to prescribe drugs, an osteopathic physician assistant under chapter 18.57A RCW when authorized by the board of osteopathic medicine and surgery, a physician assistant under chapter 18.71A RCW when authorized by the medical quality assurance commission, or any of the following professionals in any province of Canada that shares a common border with the state of Washington or in any state of the United States: A physician licensed to practice medicine and surgery or 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 advanced registered nurse practitioner, a licensed physician assistant, a licensed osteopathic physician assistant, or a veterinarian licensed to practice veterinary medicine: **PROVIDED, HOWEVER,** That the above provisions shall not apply to sale, delivery, or possession by drug wholesalers or drug manufacturers, or their agents or employees, or to any practitioner acting within the scope of his or her license, or to a common or contract carrier or warehouse operator, or any employee thereof, whose possession of any legend drug is in the usual course of business or employment: **PROVIDED FURTHER,** That nothing in this chapter or chapter 18.64 RCW shall prevent a family planning clinic that is under contract with the health care authority from selling, delivering, possessing, and dispensing commercially prepackaged oral contraceptives prescribed by authorized, licensed health care practitioners: **PROVIDED FURTHER, That nothing in this chapter prohibits possession or delivery of legend drugs by an authorized collector or other person participating in the operation of a drug take-back program authorized in chapter 69.--- RCW (the new chapter created in section 25 of this act).**

(2)(a) A violation of this section involving the sale, delivery, or possession with intent to sell or deliver is a class B felony punishable according to chapter 9A.20 RCW.

(b) A violation of this section involving possession is a misdemeanor.

NEW SECTION. Sec. 23. A new section is added to chapter 69.50 RCW to read as follows:

It is not a violation of this chapter to possess or deliver a controlled substance in compliance with chapter 69.--- RCW (the new chapter created in section 25 of this act).

NEW SECTION. Sec. 24. A new section is added to chapter 70.95 RCW to read as follows:

An authorized collector regulated under chapter 69.--- RCW (the new chapter created in section 25 of this act) is not required to obtain a permit under RCW 70.95.170 unless the authorized collector is required to obtain a permit under RCW 70.95.170 as a consequence of activities that are not directly associated with the collection facility's activities under chapter 69.--- RCW (the new chapter created in section 25 of this act).

NEW SECTION. Sec. 25. Sections 2 through 20 of this act constitute a new chapter in Title 69 RCW.

NEW SECTION. Sec. 26. A new section is added to chapter 43.131 RCW to read as follows:

The authorization for drug take-back programs created in this act shall be terminated on January 1, 2029, as provided in section 27 of this act.

NEW SECTION. **Sec. 27.** A new section is added to chapter 43.131 RCW to read as follows:

The following acts or parts of acts, as now existing or hereafter amended, are each repealed, effective January 1, 2030:

- (1) RCW 69.--.-- and 2018 c ... s 2 (section 2 of this act);
- (2) RCW 69.--.-- and 2018 c ... s 3 (section 3 of this act);
- (3) RCW 69.--.-- and 2018 c ... s 4 (section 4 of this act);
- (4) RCW 69.--.-- and 2018 c ... s 5 (section 5 of this act);
- (5) RCW 69.--.-- and 2018 c ... s 6 (section 6 of this act);
- (6) RCW 69.--.-- and 2018 c ... s 7 (section 7 of this act);
- (7) RCW 69.--.-- and 2018 c ... s 8 (section 8 of this act);
- (8) RCW 69.--.-- and 2018 c ... s 9 (section 9 of this act);
- (9) RCW 69.--.-- and 2018 c ... s 10 (section 10 of this act);
- (10) RCW 69.--.-- and 2018 c ... s 11 (section 11 of this act);
- (11) RCW 69.--.-- and 2018 c ... s 12 (section 12 of this act);
- (12) RCW 69.--.-- and 2018 c ... s 13 (section 13 of this act);
- (13) RCW 69.--.-- and 2018 c ... s 14 (section 14 of this act);
- (14) RCW 69.--.-- and 2018 c ... s 15 (section 15 of this act);
- (15) RCW 69.--.-- and 2018 c ... s 16 (section 16 of this act);
- (16) RCW 69.--.-- and 2018 c ... s 17 (section 17 of this act);
- (17) RCW 69.--.-- and 2018 c ... s 18 (section 18 of this act);
- (18) RCW 69.--.-- and 2018 c ... s 19 (section 19 of this act); and
- (19) RCW 69.--.-- and 2018 c ... s 20 (section 20 of this act).

Passed by the House March 3, 2018.

Passed by the Senate February 27, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 197

[House Bill 1056]

MILITARY SERVICE MEMBERS--CONSUMER PROTECTIONS

AN ACT Relating to consumer protections for military service members on active duty; amending RCW 38.42.010, 38.42.130, and 38.42.140; and adding a new section to chapter 38.42 RCW.

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

Sec. 1. RCW 38.42.010 and 2014 c 65 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) "Attorney general" means the attorney general of the state of Washington or any person designated by the attorney general to carry out a responsibility of the attorney general under this chapter.

(2) "Business loan" means a loan or extension of credit granted to a business entity that: (a) Is owned and operated by a service member, in which the service member is either (i) a sole proprietor, or (ii) the owner of at least fifty percent of the entity; and (b) experiences a material reduction in revenue due to the service member's military service.

(3) "Dependent" means:

- (a) The service member's spouse;
- (b) The service member's minor child; or

(c) An individual for whom the service member provided more than one-half of the individual's support for one hundred eighty days immediately preceding an application for relief under this chapter.

(4) "Financial institution" means an institution as defined in RCW ~~((30.22.044))~~ 30A.22.041.

(5) "Judgment" does not include temporary orders as issued by a judicial court or administrative tribunal in domestic relations cases under Title 26 RCW, including but not limited to establishment of a temporary child support obligation, creation of a temporary parenting plan, or entry of a temporary protective or restraining order.

(6) "Military service" means a service member:

(a) Under a call to active service authorized by the president of the United States or the secretary of defense for a period of more than thirty consecutive days; or

(b) Under a call to active service authorized by the governor under RCW 38.08.040 for a period of more than thirty consecutive days.

(7) "National guard" has the meaning in RCW 38.04.010.

(8) "Service member" means ~~((any resident of Washington state who is a member of the national guard or member of a military reserve component))~~ an active member of the United States armed forces, a member of a military reserve component, or a member of the national guard who is either stationed in or a resident of Washington state.

Sec. 2. RCW 38.42.130 and 2014 c 65 s 4 are each amended to read as follows:

(1) Any person aggrieved by a violation of this chapter may in a civil action:

(a) Obtain any appropriate equitable or declaratory relief with respect to the violation; and

(b) Recover all other appropriate relief, including monetary damages.

(2) The court may award to a person aggrieved by a violation of this chapter who prevails in an action brought under ~~((subsection (1)(a) of))~~ this section the costs of the action, including reasonable attorneys' fees.

Sec. 3. RCW 38.42.140 and 2014 c 65 s 5 are each amended to read as follows:

(1) Civil proceedings to enforce this chapter may be brought by the attorney general against any person that:

(a) Engages in a pattern or practice of violating this chapter; or

(b) Engages in a violation of this chapter that raises an issue of significant public importance.

(2) In a civil action commenced under ~~((subsection (1)(a) of))~~ this section, the court may:

(a) Grant any appropriate equitable or declaratory relief, including costs and reasonable attorneys' fees, with respect to the violation of this chapter;

(b) Award all other appropriate relief, including monetary damages, to any person aggrieved by the violation; and

(c) ~~((May,))~~ To vindicate the public interest, assess a civil penalty:

(i) In an amount not exceeding fifty-five thousand dollars for a first violation; and

(ii) In an amount not exceeding one hundred ten thousand dollars for any subsequent violation.

(3) Upon timely application, a person aggrieved by a violation of this chapter with respect to which the civil action is commenced may intervene in such an action and may obtain appropriate relief as the person could obtain in a civil action under RCW ((38.42.120)) 38.42.130 with respect to that violation, along with costs and reasonable attorneys' fees.

NEW SECTION. Sec. 4. A new section is added to chapter 38.42 RCW to read as follows:

(1) A service member may, upon written notice, including electronic mail, terminate or suspend a contract described in subsection (2) of this section at any time after the date the service member receives military service orders:

(a) For a permanent change of station; or

(b) To deploy with a military unit, or as an individual in support of a military operation, for a period of not less than thirty days.

(2) For the purposes of this section, a contract includes the provision of any of the following:

(a) Telecommunication services from a telecommunications company, as defined in RCW 80.04.010, except as provided in subsection (7) of this section;

(b) Internet services provided from an internet service provider;

(c) Health studio services from a health studio, as defined in RCW 19.142.010; and

(d) Subscription television services, as defined in RCW 9A.56.010, from a television service provider.

(3) The service member must provide written proof to the service provider of the official orders showing that the service member has been called into military service:

(a) At the time written notice is given; or

(b) If precluded by military necessity or circumstances that make the provision of proof at the time of giving written notice unreasonable or impossible, within ninety days after written notice has been given.

(4) A termination or suspension of services under this section is effective on the day written notice is given under subsection (2) of this section. The termination or suspension of services does not eliminate or alter any contractual obligation to pay for services rendered before the effective date of the written notice, unless otherwise provided for by law.

(5)(a) A service member who terminates or suspends the provision of services under this section may upon giving written notice, including electronic mail, to the provider within ninety days after termination of the service member's military service, reinstate the provision of services:

(i) On the same terms and conditions as originally agreed upon with the service provider before the termination or suspension, if the service member was in military service no longer than twelve consecutive months; or

(ii) On the same terms and conditions that have been offered by the provider to any new consumer at the lowest discounted or promotional rate within the previous twelve-month period immediately before termination of the service

member's military service, if the service member was in military service longer than twelve consecutive months.

(b) Upon receipt of the written notice of reinstatement, the service provider must resume the provision of services or, if the services are no longer available, provide substantially similar services within a reasonable period of time not to exceed thirty days from the date of receipt of the written notice of reinstatement.

(6) A service member who terminates, suspends, or reinstates the provision of services under this section:

(a) May not be charged a penalty, fee, loss of deposit, or any other additional cost because of the termination, suspension, or reinstatement; and

(b) Is not liable for payment for any services after the effective date of the termination or suspension, or until the effective date of a reinstatement of services as described in subsection (4) of this section.

(7) A service member may terminate a contract for any service provided by a commercial mobile radio services provider in accordance with 50 U.S.C. Sec. 3956.

Passed by the House January 11, 2018.

Passed by the Senate February 28, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 198

[House Bill 1095]

ANTIFREEZE PRODUCT BITTERING--EXEMPTIONS

AN ACT Relating to protecting children and animals from poisoning by antifreeze products; and amending RCW 19.94.544.

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

Sec. 1. RCW 19.94.544 and 2008 c 68 s 3 are each amended to read as follows:

The requirements of this section and RCW 19.94.540 and 19.94.542 shall not apply to the sale of a motor vehicle that contains engine coolant or antifreeze (~~or to wholesale containers of fifty-five gallons or more of engine coolant or antifreeze~~)).

Passed by the House January 24, 2018.

Passed by the Senate February 27, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 199

[Third Substitute House Bill 1169]

STUDENT LOANS--NONPAYMENT AND DEFAULT

AN ACT Relating to student opportunity, assistance, and relief for student loans; amending RCW 67.08.100, 4.56.110, 6.01.060, 6.15.010, 6.27.100, 6.27.105, 6.27.140, and 6.27.150; creating new sections; and repealing RCW 2.48.165, 18.04.420, 18.08.470, 18.11.270, 18.16.230, 18.20.200, 18.27.360, 18.39.465, 18.43.160, 18.46.055, 18.76.100, 18.85.341, 18.96.190, 18.104.115, 18.106.290, 18.130.125, 18.140.200, 18.145.125, 18.160.085, 18.165.280, 18.170.163, 18.180.050, 18.185.055, and 28A.410.105.

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

NEW SECTION. Sec. 1. The legislature finds that an educated workforce is essential for the state's economic development. By 2020 seventy percent of available jobs in Washington will require at least a postsecondary credential. According to the 2015 A Skilled and Educated Workforce report, bachelor degree production in high-demand fields, such as science, technology, engineering, mathematics, and health, does not meet the demand of Washington's employers. The state has also set educational attainment goals to recognize the need and benefits of an educated workforce. College degree holders have higher incomes, better financial health, and are more likely to be homeowners than those who do not have college degrees. In fact, young adults aged twenty-two to thirty-five with a college degree are fifty percent more likely to own a home than those without a degree.

However, the legislature finds that the cost of higher education has risen dramatically in recent years. Between 2003 and 2013, the price index of tuition rose eighty percent, three times the increase in the consumer price index and nearly double the increase in the medical price index over the same period. The legislature also finds that students are financing their education with more student loan debt. According to the institute for college access and success' project on student debt, in 2014 fifty-eight percent of recent graduates in Washington had debt, and the average federal student loan debt load for a student graduating from a four-year public or private institution of higher education was twenty-four thousand eight hundred dollars. This is an increase of forty-two percent since 2004, when the average debt load was seventeen thousand four hundred dollars. These averages do not take into account additional private loans that many students take out to supplement their federal loans.

Student loan debt can greatly impact the economic benefits of earning a college degree. Surveys indicate that people burdened by student loan debt are less likely to buy a home; get married and start a family; start a small business; pursue lower paying professions such as teaching, nonprofit work, or social work; or even continue their education. The legislature finds that these decisions create a chain reaction of economic and social impact to the state.

The legislature recognizes that student loan debt is very different from other forms of debt, such as auto loans and home mortgages, for a variety of reasons. With most debt, borrowers know beforehand how much their monthly payment will be. However, student loans are more complicated because a student may borrow different amounts term to term and make decisions on an incremental basis as their financial aid packages, work, and living situations change. In addition, student loans may have origination fees, accumulated and capitalized interest, grace and forbearance periods, and income-based repayment options that all change the monthly payment amount. The legislature recognizes that another major difference with student loan debt is the unknown factor: Students take out the debt without having a clear idea of their future income and other financial obligations. Lastly, if a student has trouble repaying a student loan, the loans are not secured with physical property that can be sold, and in the event of bankruptcy, are nearly impossible to discharge.

According to the United States department of education, Washington students are defaulting on their federal student loans at roughly the same rate as

the national average. For the cohort that entered into repayment on their federal student loans in 2013, ten percent, or seven thousand seven hundred forty-six students, fell into default during the fiscal year ending September 30, 2016, just under the national average of eleven percent.

The consequences of default can haunt student loan borrowers for years unless they are able to rehabilitate their loans. These consequences may include suspension of the borrower's professional license; excessive contact from collection agencies; garnishment of wages and bank accounts; as well as seizing of the borrower's tax refund and other federal payments, such as social security retirement, and disability benefits. Defaulting on a student loan damages a borrower's credit, making it difficult to qualify for a mortgage or auto loan, rent an apartment, and even find employment, closing people off from the resources they need for financial stability.

The legislature acknowledges that the state currently allows regulators of twenty-six professions to suspend the professional licenses or certificates of student loan borrowers who have defaulted on their loans. In 2015 the department of licensing reported one hundred ten license suspensions for student loan default within the eleven professions it regulates, most of which were in the field of cosmetology. Twenty-one states have similar laws, but recently some states have repealed their laws or introduced legislation to do so, recognizing that license suspension hinders a borrower's ability to repay. It is the legislature's intent to repeal the statutes regarding professional license or certificate suspension and intends for those who had their license or certificate suspended to be eligible to have their license or certificate reinstated.

The legislature also finds that Washington state has high postjudgment interest rates and generous wage and bank account garnishment rates that negatively impact private student loan borrowers who default. Studies indicate that wage and bank account garnishment contributes to financial and employment instability, unemployment, bankruptcy, homelessness, and chronic stress. Washington's high interest and garnishment rates also increase the courts' caseload by making it more attractive for lenders of private student loans to sue a borrower in court and obtain a judgment than to negotiate an agreement or settlement with the borrower.

Washington state's postjudgment interest rate was set at twelve percent in 1980 when the prime interest rate was fifteen percent. The current prime interest rate stands at three and one-half percent. In addition, the state's current postjudgment rate on torts is around three percent.

Regarding wage garnishment, many states, such as Texas, Pennsylvania, and South Carolina do not allow for wage garnishment for consumer debt. For federal student loans, the department of education can garnish up to fifteen percent of a borrower's disposable income, but not more than thirty times the minimum wage. In Washington, a borrower can have twenty-five percent of his or her disposable earnings garnished, or thirty-five times the federal minimum wage. As for bank account exemptions, Massachusetts protects two thousand five hundred dollars from garnishment compared to Washington's current exemption of five hundred dollars. To put this figure into perspective, the average rent in the Seattle metropolitan area is two thousand eighty-seven dollars.

Therefore, it is the legislature's intent to help student loan borrowers in default avoid loss of professional license or certification, which hinders repayment. It is also the legislature's intent to help student loan borrowers in default to maintain financial stability and to avoid the hardships of bank account and wage garnishment by making the postjudgment interest rate for private student loan debt more comparable to the market rate and by increasing the exemptions for bank account and wage garnishments.

PART I

PROFESSIONAL LICENSE SUSPENSIONS

NEW SECTION. **Sec. 101.** The following acts or parts of acts are each repealed:

(1) RCW 2.48.165 (Disbarment or license suspension—Nonpayment or default on educational loan or scholarship) and 1996 c 293 s 1;

(2) RCW 18.04.420 (License or certificate suspension—Nonpayment or default on educational loan or scholarship) and 1996 c 293 s 2;

(3) RCW 18.08.470 (Certificate or registration suspension—Nonpayment or default on educational loan or scholarship) and 1996 c 293 s 3;

(4) RCW 18.11.270 (License, certificate, or registration suspension—Nonpayment or default on educational loan or scholarship) and 1996 c 293 s 4;

(5) RCW 18.16.230 (License suspension—Nonpayment or default on educational loan or scholarship) and 1996 c 293 s 5;

(6) RCW 18.20.200 (License suspension—Nonpayment or default on educational loan or scholarship) and 1996 c 293 s 6;

(7) RCW 18.27.360 (Certificate of registration suspension—Nonpayment or default on educational loan or scholarship) and 1996 c 293 s 7;

(8) RCW 18.39.465 (License suspension—Nonpayment or default on educational loan or scholarship) and 1996 c 293 s 9;

(9) RCW 18.43.160 (Certificate of registration or license suspension—Nonpayment or default on educational loan or scholarship) and 1996 c 293 s 10;

(10) RCW 18.46.055 (License suspension—Nonpayment or default on educational loan or scholarship) and 1996 c 293 s 12;

(11) RCW 18.76.100 (Certificate suspension—Nonpayment or default on educational loan or scholarship) and 1996 c 293 s 13;

(12) RCW 18.85.341 (License suspension—Nonpayment or default on educational loan or scholarship) and 2008 c 23 s 30 & 1996 c 293 s 14;

(13) RCW 18.96.190 (Certificate of licensure suspension—Nonpayment or default on educational loan or scholarship) and 2009 c 370 s 16 & 1996 c 293 s 15;

(14) RCW 18.104.115 (License suspension—Nonpayment or default on educational loan or scholarship) and 1996 c 293 s 16;

(15) RCW 18.106.290 (Certificate or permit suspension—Nonpayment or default on educational loan or scholarship) and 1996 c 293 s 17;

(16) RCW 18.130.125 (License suspension—Nonpayment or default on educational loan or scholarship) and 1996 c 293 s 18;

(17) RCW 18.140.200 (Certificate, license, or registration suspension—Nonpayment or default on educational loan or scholarship) and 2005 c 339 s 16 & 1996 c 293 s 19;

(18) RCW 18.145.125 (Certificate suspension—Nonpayment or default on educational loan or scholarship) and 1996 c 293 s 20;

(19) RCW 18.160.085 (Certificate suspension—Nonpayment or default on educational loan or scholarship) and 1996 c 293 s 21;

(20) RCW 18.165.280 (License or certificate suspension—Nonpayment or default on educational loan or scholarship) and 1996 c 293 s 22;

(21) RCW 18.170.163 (License or certificate suspension—Nonpayment or default on educational loan or scholarship) and 1996 c 293 s 23;

(22) RCW 18.180.050 (Registration suspension—Nonpayment or default on educational loan or scholarship) and 1996 c 293 s 25;

(23) RCW 18.185.055 (License suspension—Nonpayment or default on educational loan or scholarship) and 1996 c 293 s 26; and

(24) RCW 28A.410.105 (Certificate or permit suspension—Nonpayment or default on educational loan or scholarship) and 1996 c 293 s 27.

Sec. 102. RCW 67.08.100 and 2017 c 46 s 3 are each amended to read as follows:

(1) The department upon receipt of a properly completed application and payment of a nonrefundable fee, may grant an annual license to an applicant for the following: (a) Promoter; (b) manager; (c) boxer; (d) second; (e) wrestling participant; (f) inspector; (g) judge; (h) timekeeper; (i) announcer; (j) event physician; (k) event chiropractor; (l) referee; (m) matchmaker; (n) kickboxer; (o) martial arts participant; (p) training facility; (q) amateur sanctioning organization; and (r) theatrical wrestling school.

(2) The application for the following types of licenses includes a physical performed by a physician, as defined in RCW 67.08.002, which was performed by the physician with a time period preceding the application as specified by rule: (a) Boxer; (b) wrestling participant; (c) kickboxer; (d) martial arts participant; and (e) referee.

(3) An applicant for the following types of licenses for the sports of boxing, kickboxing, and martial arts must provide annual proof of certification as having adequate experience, skill, and training from an organization approved by the department, including, but not limited to, the association of boxing commissions, the international boxing federation, the international boxing organization, the Washington state association of professional ring officials, the world boxing association, the world boxing council, or the world boxing organization for boxing officials, and the united full contact federation for kickboxing and martial arts officials: (a) Judge; (b) referee; (c) inspector; (d) timekeeper; or (e) other officials deemed necessary by the department.

(4) No person may participate or serve in any of the above capacities unless licensed as provided in this chapter.

(5) The referees, judges, timekeepers, event physicians, chiropractors, and inspectors for any boxing, kickboxing, or martial arts event must be designated by the department from among licensed officials.

(6) The referee for any wrestling event must be provided by the promoter and must be licensed as a wrestling participant.

(7) The department must immediately suspend the license or certificate of a person who has been certified pursuant to RCW 74.20A.320 by the department of social and health services as a person who is not in compliance with a support order. If the person has continued to meet all other requirements for reinstatement during the suspension, reissuance of the license or certificate is automatic upon the department's receipt of a release issued by the department of

social and health services stating that the licensee is in compliance with the order.

~~(8) ((The director must suspend the license of any person who has been certified by a lending agency and reported to the director for nonpayment or default on a federally or state-guaranteed educational loan or service-conditional scholarship. Prior to the suspension, the agency must provide the person an opportunity for a brief adjudicative proceeding under RCW 34.05.485 through 34.05.494 and issue a finding of nonpayment or default on a federally or state-guaranteed educational loan or service-conditional scholarship. The person's license may not be reissued until the person provides the director a written release issued by the lending agency stating that the person is making payments on the loan in accordance with a repayment agreement approved by the lending agency. If the person has continued to meet all other requirements for licensure during the suspension, reinstatement is automatic upon receipt of the notice and payment of any reinstatement fee the director may impose.~~

~~(9))~~ A person may not be issued a license if the person has an unpaid fine outstanding to the department.

~~((10))~~ (9) A person may not be issued a license unless they are at least eighteen years of age.

~~((11))~~ (10)(a) This section does not apply to:

(i) Contestants or participants in events at which only amateurs are engaged in contests;

(ii) Wrestling participants engaged in training or a wrestling show at a theatrical wrestling school; and

(iii) Fraternal organizations and/or veterans' organizations chartered by congress or the defense department, excluding any recognized amateur sanctioning body recognized by the department.

(b) Upon request of the department, a promoter, contestant, or participant must provide sufficient information to reasonably determine whether this chapter applies.

PART II

PRIVATE STUDENT LOAN DEFAULT

Sec. 201. RCW 4.56.110 and 2010 c 149 s 1 are each amended to read as follows:

Interest on judgments shall accrue as follows:

(1) Judgments founded on written contracts, providing for the payment of interest until paid at a specified rate, shall bear interest at the rate specified in the contracts: PROVIDED, That said interest rate is set forth in the judgment.

(2) All judgments for unpaid child support that have accrued under a superior court order or an order entered under the administrative procedure act shall bear interest at the rate of twelve percent.

(3)(a) Judgments founded on the tortious conduct of a "public agency" as defined in RCW 42.30.020 shall bear interest from the date of entry at two percentage points above the equivalent coupon issue yield, as published by the board of governors of the federal reserve system, of the average bill rate for twenty-six week treasury bills as determined at the first bill market auction conducted during the calendar month immediately preceding the date of entry. In any case where a court is directed on review to enter judgment on a verdict or in any case where a judgment entered on a verdict is wholly or partly affirmed on

review, interest on the judgment or on that portion of the judgment affirmed shall date back to and shall accrue from the date the verdict was rendered.

(b) Except as provided in (a) of this subsection, judgments founded on the tortious conduct of individuals or other entities, whether acting in their personal or representative capacities, shall bear interest from the date of entry at two percentage points above the prime rate, as published by the board of governors of the federal reserve system on the first business day of the calendar month immediately preceding the date of entry. In any case where a court is directed on review to enter judgment on a verdict or in any case where a judgment entered on a verdict is wholly or partly affirmed on review, interest on the judgment or on that portion of the judgment affirmed shall date back to and shall accrue from the date the verdict was rendered.

(4) Except as provided under subsection (1) of this section, judgments for unpaid private student loan debt, as defined in RCW 6.01.060, shall bear interest from the date of entry at two percentage points above the prime rate, as published by the board of governors of the federal reserve system on the first business day of the calendar month immediately preceding the date of entry.

(5) Except as provided under subsections (1), (2), ~~((and))~~ (3), and (4) of this section, judgments shall bear interest from the date of entry at the maximum rate permitted under RCW 19.52.020 on the date of entry thereof. In any case where a court is directed on review to enter judgment on a verdict or in any case where a judgment entered on a verdict is wholly or partly affirmed on review, interest on the judgment or on that portion of the judgment affirmed shall date back to and shall accrue from the date the verdict was rendered. The method for determining an interest rate prescribed by this subsection is also the method for determining the "rate applicable to civil judgments" for purposes of RCW 10.82.090.

Sec. 202. RCW 6.01.060 and 1988 c 231 s 1 are each amended to read as follows:

~~((The term "certified mail," as used in this title,))~~ The definitions in this section apply throughout this title unless the context clearly requires otherwise.

(1) "Certified mail" includes, for mailings to a foreign country, any form of mail that requires or permits a return receipt.

(2) "Private student loan" means any loan not guaranteed by the federal or state government that is used solely for personal use to finance postsecondary education and costs of attendance at an educational institution. A private student loan includes a loan made solely to refinance a private student loan. A private student loan does not include an extension of credit made under an open-end consumer credit plan, a reverse mortgage transaction, a residential mortgage transaction, or any other loan that is secured by real property or a dwelling.

Sec. 203. RCW 6.15.010 and 2012 c 117 s 2 are each amended to read as follows:

(1) Except as provided in RCW 6.15.050, the following personal property is exempt from execution, attachment, and garnishment:

(a) All wearing apparel of every individual and family, but not to exceed three thousand five hundred dollars in value in furs, jewelry, and personal ornaments for any individual.

(b) All private libraries including electronic media, which includes audiovisual, entertainment, or reference media in digital or analogue format, of every individual, but not to exceed three thousand five hundred dollars in value, and all family pictures and keepsakes.

(c) A cell phone, personal computer, and printer.

(d) To each individual or, as to community property of spouses maintaining a single household as against a creditor of the community, to the community:

(i) The individual's or community's household goods, appliances, furniture, and home and yard equipment, not to exceed six thousand five hundred dollars in value for the individual or thirteen thousand dollars for the community, no single item to exceed seven hundred fifty dollars, said amount to include provisions and fuel for the comfortable maintenance of the individual or community;

(ii) Other personal property, except personal earnings as provided under RCW 6.15.050(1), not to exceed three thousand dollars in value, of which not more than one thousand five hundred dollars in value may consist of cash, and of which not more than:

(A) ~~((Until January 1, 2018:~~

~~(I) For debts owed to state agencies, two hundred dollars in value may consist of bank accounts, savings and loan accounts, stocks, bonds, or other securities. The maximum exemption under (c)(ii)(A) of this subsection may not exceed two hundred dollars, regardless of the number of existing separate bank accounts, savings and loan accounts, stocks, bonds, or other securities.~~

~~(II) For all other debts, five hundred dollars in value may consist of bank accounts, savings and loan accounts, stocks, bonds, or other securities. The maximum exemption under (c)(ii)(B) of this subsection may not exceed five hundred dollars, regardless of the number of existing separate bank accounts, savings and loan accounts, stocks, bonds, or other securities.~~

~~(B) After January 1, 2018:)) For all debts except private student loan debt, five hundred dollars in value may consist of bank accounts, savings and loan accounts, stocks, bonds, or other securities. The maximum exemption under this subsection (1)((~~e~~)) ~~(d)(ii)((~~B~~))~~(A) may not exceed five hundred dollars, regardless of the number of existing separate bank accounts, savings and loan accounts, stocks, bonds, or other securities.~~

(B) For all private student loan debt, two thousand five hundred dollars in value may consist of bank accounts, savings and loan accounts, stocks, bonds, or other securities. The maximum exemption under this subsection (1)(d)(ii)(B) may not exceed two thousand five hundred dollars, regardless of the number of existing separate bank accounts, savings and loan accounts, stocks, bonds, or other securities;

(iii) For an individual, a motor vehicle used for personal transportation, not to exceed three thousand two hundred fifty dollars or for a community two motor vehicles used for personal transportation, not to exceed six thousand five hundred dollars in aggregate value;

(iv) Any past due, current, or future child support paid or owed to the debtor, which can be traced;

(v) All professionally prescribed health aids for the debtor or a dependent of the debtor; and

(vi) To any individual, the right to or proceeds of a payment not to exceed twenty thousand dollars on account of personal bodily injury, not including pain and suffering or compensation for actual pecuniary loss, of the debtor or an individual of whom the debtor is a dependent; or the right to or proceeds of a payment in compensation of loss of future earnings of the debtor or an individual of whom the debtor is or was a dependent, to the extent reasonably necessary for the support of the debtor and any dependent of the debtor. The exemption under this subsection (1)((~~e~~)) (d)(vi) does not apply to the right of the state of Washington, or any agent or assignee of the state, as a lienholder or subrogee under RCW 43.20B.060.

((~~e~~)) (e) To each qualified individual, one of the following exemptions:

(i) To a farmer, farm trucks, farm stock, farm tools, farm equipment, supplies and seed, not to exceed ten thousand dollars in value;

(ii) To a physician, surgeon, attorney, member of the clergy, or other professional person, the individual's library, office furniture, office equipment and supplies, not to exceed ten thousand dollars in value;

(iii) To any other individual, the tools and instruments and materials used to carry on his or her trade for the support of himself or herself or family, not to exceed ten thousand dollars in value.

((~~e~~)) (f) Tuition units, under chapter 28B.95 RCW, purchased more than two years prior to the date of a bankruptcy filing or court judgment, and contributions to any other qualified tuition program under 26 U.S.C. Sec. 529 of the internal revenue code of 1986, as amended, and to a Coverdell education savings account, also known as an education individual retirement account, under 26 U.S.C. Sec. 530 of the internal revenue code of 1986, as amended, contributed more than two years prior to the date of a bankruptcy filing or court judgment.

(2) For purposes of this section, "value" means the reasonable market value of the debtor's interest in an article or item at the time it is selected for exemption, exclusive of all liens and encumbrances thereon.

Sec. 204. RCW 6.27.100 and 2012 c 159 s 3 are each amended to read as follows:

(1) A writ issued for a continuing lien on earnings shall be substantially in the form provided in RCW 6.27.105. All other writs of garnishment shall be substantially in the following form, but:

(a) If the writ is issued under an order or judgment for child support, the following statement shall appear conspicuously in the caption: "This garnishment is based on a judgment or order for child support";

(b) If the writ is issued under an order or judgment for private student loan debt, the following statement shall appear conspicuously in the caption: "This garnishment is based on a judgment or order for private student loan debt"; and

(c) If the writ is issued by an attorney, the writ shall be revised as indicated in subsection (2) of this section:

"IN THE COURT
OF THE STATE OF WASHINGTON IN AND FOR
THE COUNTY OF

..... ,

Plaintiff, No.
 vs.
 WRIT OF
 Defendant, GARNISHMENT

 Garnishee

THE STATE OF WASHINGTON TO:
 Garnishee

AND TO:
 Defendant

The above-named plaintiff has applied for a writ of garnishment against you, claiming that the above-named defendant is indebted to plaintiff and that the amount to be held to satisfy that indebtedness is \$, consisting of:

Balance on Judgment or Amount of Claim	\$
Interest under Judgment from to	\$
Per Day Rate of Estimated Interest	\$
	per day
Taxable Costs and Attorneys' Fees	\$
Estimated Garnishment Costs:	
Filing and Ex Parte Fees	\$
Service and Affidavit Fees	\$
Postage and Costs of Certified Mail	\$
Answer Fee or Fees	\$
Garnishment Attorney Fee	\$
Other	\$

YOU ARE HEREBY COMMANDED, unless otherwise directed by the court, by the attorney of record for the plaintiff, or by this writ, not to pay any debt, whether earnings subject to this garnishment or any other debt, owed to the defendant at the time this writ was served and not to deliver, sell, or transfer, or recognize any sale or transfer of, any personal property or effects of the defendant in your possession or control at the time when this writ was served. Any such payment, delivery, sale, or transfer is void to the extent necessary to satisfy the plaintiff's claim and costs for this writ with interest.

YOU ARE FURTHER COMMANDED to answer this writ according to the instructions in this writ and in the answer forms and, within twenty days after the service of the writ upon you, to mail or deliver the original of such answer to the court, one copy to the plaintiff or the plaintiff's attorney, and one copy to the defendant, at the addresses listed at the bottom of this writ.

If you owe the defendant a debt payable in money in excess of the amount set forth in the first paragraph of this writ, hold only the amount set forth in the first paragraph and any processing fee if one is charged and release all additional funds or property to defendant.

IF YOU FAIL TO ANSWER THIS WRIT AS COMMANDED, A JUDGMENT MAY BE ENTERED AGAINST YOU FOR THE FULL AMOUNT OF THE PLAINTIFF'S CLAIM AGAINST THE DEFENDANT WITH ACCRUING INTEREST, ATTORNEY FEES, AND COSTS WHETHER OR NOT YOU OWE ANYTHING TO THE DEFENDANT. IF YOU PROPERLY ANSWER THIS WRIT, ANY JUDGMENT AGAINST YOU WILL NOT EXCEED THE AMOUNT OF ANY NONEXEMPT DEBT OR THE VALUE OF ANY NONEXEMPT PROPERTY OR EFFECTS IN YOUR POSSESSION OR CONTROL.

JUDGMENT MAY ALSO BE ENTERED AGAINST THE DEFENDANT FOR COSTS AND FEES INCURRED BY THE PLAINTIFF.

Witness, the Honorable, Judge of the above-entitled Court, and the seal thereof, this day of, ((20)). . . . (year)

[Seal]

.....
Attorney for Plaintiff (or Plaintiff, if no attorney)	Clerk of the Court
.....
Address	By
.....
Name of Defendant	Address"
.....	
Address of Defendant	

(2) If an attorney issues the writ of garnishment, the final paragraph of the writ, containing the date, and the subscribed attorney and clerk provisions, shall be replaced with text in substantially the following form:

"This writ is issued by the undersigned attorney of record for plaintiff under the authority of chapter 6.27 of the Revised Code of Washington, and must be complied with in the same manner as a writ issued by the clerk of the court.

Dated thisday of, ((20)). . . . (year)

.....
Attorney for Plaintiff	
.....
Address	Address of the Clerk of the Court"

.....
Name of Defendant

.....
Address of Defendant

Sec. 205. RCW 6.27.105 and 2012 c 159 s 4 are each amended to read as follows:

(1) A writ that is issued for a continuing lien on earnings shall be substantially in the following form, but:

(a) If the writ is issued under an order or judgment for child support, the following statement shall appear conspicuously in the caption: "This garnishment is based on a judgment or order for child support((;))";

(b) If the writ is issued under an order or judgment for private student loan debt, the following statement shall appear conspicuously in the caption: "This garnishment is based on a judgment or order for private student loan debt"; and

(c) If the writ is issued by an attorney, the writ shall be revised as indicated in subsection (2) of this section:

"IN THE COURT
OF THE STATE OF WASHINGTON IN AND FOR
THE COUNTY OF

.....,
Plaintiff,

No. . . .

vs.

.....,
Defendant

WRIT OF
GARNISHMENT FOR
CONTINUING LIEN ON
EARNINGS

.....,
Garnishee

THE STATE OF WASHINGTON TO:
Garnishee

AND TO:
Defendant

The above-named plaintiff has applied for a writ of garnishment against you, claiming that the above-named defendant is indebted to plaintiff and that the amount to be held to satisfy that indebtedness is \$, consisting of:

Balance on Judgment or Amount of Claim	\$
Interest under Judgment from to	\$
Per Day Rate of Estimated Interest	\$
	per day
Taxable Costs and Attorneys' Fees	\$

Estimated Garnishment Costs:

Filing and Ex Parte Fees	\$
Service and Affidavit Fees	\$
Postage and Costs of Certified Mail	\$
Answer Fee or Fees	\$
Garnishment Attorney Fee	\$
Other	\$

THIS IS A WRIT FOR A CONTINUING LIEN. THE GARNISHEE SHALL HOLD the nonexempt portion of the defendant's earnings due at the time of service of this writ and shall also hold the defendant's nonexempt earnings that accrue through the last payroll period ending on or before SIXTY days after the date of service of this writ. HOWEVER, IF THE GARNISHEE IS PRESENTLY HOLDING THE NONEXEMPT PORTION OF THE DEFENDANT'S EARNINGS UNDER A PREVIOUSLY SERVED WRIT FOR A CONTINUING LIEN, THE GARNISHEE SHALL HOLD UNDER THIS WRIT only the defendant's nonexempt earnings that accrue from the date the previously served writ or writs terminate and through the last payroll period ending on or before sixty days after the date of termination of the previous writ or writs. IN EITHER CASE, THE GARNISHEE SHALL STOP WITHHOLDING WHEN THE SUM WITHHELD EQUALS THE AMOUNT STATED IN THIS WRIT OF GARNISHMENT.

YOU ARE HEREBY COMMANDED, unless otherwise directed by the court, by the attorney of record for the plaintiff, or by this writ, not to pay any debt, whether earnings subject to this garnishment or any other debt, owed to the defendant at the time this writ was served and not to deliver, sell, or transfer, or recognize any sale or transfer of, any personal property or effects of the defendant in your possession or control at the time when this writ was served. Any such payment, delivery, sale, or transfer is void to the extent necessary to satisfy the plaintiff's claim and costs for this writ with interest.

YOU ARE FURTHER COMMANDED to answer this writ according to the instructions in this writ and in the answer forms and, within twenty days after the service of the writ upon you, to mail or deliver the original of such answer to the court, one copy to the plaintiff or the plaintiff's attorney, and one copy to the defendant, at the addresses listed at the bottom of this writ.

If, at the time this writ was served, you owed the defendant any earnings (that is, wages, salary, commission, bonus, tips, or other compensation for personal services or any periodic payments pursuant to a nongovernmental pension or retirement program), the defendant is entitled to receive amounts that are exempt from garnishment under federal and state law. You must pay the exempt amounts to the defendant on the day you would customarily pay the compensation or other periodic payment. As more fully explained in the answer, the basic exempt amount is the greater of seventy-five percent of disposable earnings or a minimum amount determined by reference to the employee's pay period, to be calculated as provided in the answer. However, if this writ carries a statement in the heading (~~that~~) of either: "This garnishment is based on a judgment or order for child support," the basic exempt amount is fifty percent of

disposable earnings; or "This garnishment is based on a judgment or order for private student loan debt," the basic exempt amount is the greater of eighty-five percent of disposable earnings or fifty times the minimum hourly wage of the highest minimum wage law in the state at the time the earnings are payable.

YOU MAY DEDUCT A PROCESSING FEE FROM THE REMAINDER OF THE EMPLOYEE'S EARNINGS AFTER WITHHOLDING UNDER THIS WRIT. THE PROCESSING FEE MAY NOT EXCEED TWENTY DOLLARS FOR THE FIRST ANSWER AND TEN DOLLARS AT THE TIME YOU SUBMIT THE SECOND ANSWER.

If you owe the defendant a debt payable in money in excess of the amount set forth in the first paragraph of this writ, hold only the amount set forth in the first paragraph and any processing fee if one is charged and release all additional funds or property to defendant.

IF YOU FAIL TO ANSWER THIS WRIT AS COMMANDED, A JUDGMENT MAY BE ENTERED AGAINST YOU FOR THE FULL AMOUNT OF THE PLAINTIFF'S CLAIM AGAINST THE DEFENDANT WITH ACCRUING INTEREST, ATTORNEY FEES, AND COSTS WHETHER OR NOT YOU OWE ANYTHING TO THE DEFENDANT. IF YOU PROPERLY ANSWER THIS WRIT, ANY JUDGMENT AGAINST YOU WILL NOT EXCEED THE AMOUNT OF ANY NONEXEMPT DEBT OR THE VALUE OF ANY NONEXEMPT PROPERTY OR EFFECTS IN YOUR POSSESSION OR CONTROL.

JUDGMENT MAY ALSO BE ENTERED AGAINST THE DEFENDANT FOR COSTS AND FEES INCURRED BY THE PLAINTIFF.

Witness, the Honorable, Judge of the above-entitled Court, and the seal thereof, this day of, ((20)). . . . (year)

[Seal]

.....
Attorney for	Clerk of the
Plaintiff (or	Court
Plaintiff, if no	
attorney)	
.....
Address	By
.....
Name of Defendant	Address"
.....	
Address of Defendant	

(2) If an attorney issues the writ of garnishment, the final paragraph of the writ, containing the date, and the subscribed attorney and clerk provisions, shall be replaced with text in substantially the following form:

"This writ is issued by the undersigned attorney of record for plaintiff under the authority of chapter 6.27 of the Revised Code of Washington, and must be complied with in the same manner as a writ issued by the clerk of the court.

BANK ACCOUNTS. If the garnishee is a bank or other institution with which you have an account in which you have deposited benefits such as Temporary Assistance for Needy Families, Supplemental Security Income (SSI), Social Security, veterans' benefits, unemployment compensation, or any federally qualified pension, such as a state or federal pension, individual retirement account (IRA), or 401K plan, you may claim the account as fully exempt if you have deposited only such benefit funds in the account. It may be partially exempt even though you have deposited money from other sources in the same account. An exemption is also available under RCW 26.16.200, providing that funds in a community bank account that can be identified as the earnings of a stepparent are exempt from a garnishment on the child support obligation of the parent.

OTHER EXEMPTIONS. If the garnishee holds other property of yours, some or all of it may be exempt under RCW 6.15.010, a Washington statute that exempts certain property of your choice (including up to \$2,500.00 in a bank account if you owe on private student loan debts or up to \$500.00 in a bank account for all other debts) and certain other property such as household furnishings, tools of trade, and a motor vehicle (all limited by differing dollar values).

HOW TO CLAIM EXEMPTIONS. Fill out the enclosed claim form and mail or deliver it as described in instructions on the claim form. If the plaintiff does not object to your claim, the funds or other property that you have claimed as exempt must be released not later than 10 days after the plaintiff receives your claim form. If the plaintiff objects, the law requires a hearing not later than 14 days after the plaintiff receives your claim form, and notice of the objection and hearing date will be mailed to you at the address that you put on the claim form.

THE LAW ALSO PROVIDES OTHER EXEMPTION RIGHTS. IF NECESSARY, AN ATTORNEY CAN ASSIST YOU TO ASSERT THESE AND OTHER RIGHTS, BUT YOU MUST ACT IMMEDIATELY TO AVOID LOSS OF RIGHTS BY DELAY.

(2)(a) If the writ is to garnish funds or property held by a financial institution, the claim form required by RCW 6.27.130(1) to be mailed to or served on an individual judgment debtor shall be in the following form, printed or typed in no smaller than size twelve point font:

[Caption to be filled in by judgment creditor or plaintiff before mailing.]

.....
Name of Court

..... No

Plaintiff,

vs.

..... EXEMPTION CLAIM

Defendant,

.....

Garnishee Defendant

INSTRUCTIONS:

- 1. Read this whole form after reading the enclosed notice. Then put an X in the box or boxes that describe your exemption claim or claims and write in the necessary information on the blank lines. If additional space is needed, use the bottom of the last page or attach another sheet.
- 2. Make two copies of the completed form. Deliver the original form by first-class mail or in person to the clerk of the court, whose address is shown at the bottom of the writ of garnishment. Deliver one of the copies by first-class mail or in person to the plaintiff or plaintiff's attorney, whose name and address are shown at the bottom of the writ. Keep the other copy. **YOU SHOULD DO THIS AS QUICKLY AS POSSIBLE, BUT NO LATER THAN 28 DAYS (4 WEEKS) AFTER THE DATE ON THE WRIT.**

I/We claim the following money or property as exempt:

IF BANK ACCOUNT IS GARNISHED:

- The account contains payments from:
 - Temporary assistance for needy families, SSI, or other public assistance. I receive \$ monthly.
 - Social Security. I receive \$ monthly.
 - Veterans' Benefits. I receive \$ monthly.
 - Federally qualified pension, such as a state or federal pension, individual retirement account (IRA), or 401K plan. I receive \$ monthly.
 - Unemployment Compensation. I receive \$ monthly.
 - Child support. I receive \$ monthly.
 - Other. Explain

- \$2,500 exemption for private student loan debts.
- \$500 exemption for all other debts.

IF EXEMPTION IN BANK ACCOUNT IS CLAIMED, ANSWER ONE OR BOTH OF THE FOLLOWING:

- No money other than from above payments are in the account.
- Moneys in addition to the above payments have been deposited in the account. Explain

OTHER PROPERTY:

- Describe property
- (If you claim other personal property as exempt, you must attach a list of all other personal property that you own.)

.....
Print: Your name	If married or in a state registered domestic partnership, name of husband/wife/state registered domestic partner
.....
Your signature	Signature of husband, wife, or state registered domestic partner
.....
Address	Address (if different from yours)
.....
Telephone number	Telephone number (if different from yours)

CAUTION: If the plaintiff objects to your claim, you will have to go to court and give proof of your claim. For example, if you claim that a bank account is exempt, you may have to show the judge your bank statements and

papers that show the source of the money you deposited in the bank. Your claim may be granted more quickly if you attach copies of such proof to your claim.

IF THE JUDGE DENIES YOUR EXEMPTION CLAIM, YOU WILL HAVE TO PAY THE PLAINTIFF'S COSTS. IF THE JUDGE DECIDES THAT YOU DID NOT MAKE THE CLAIM IN GOOD FAITH, HE OR SHE MAY DECIDE THAT YOU MUST PAY THE PLAINTIFF'S ATTORNEY FEES.

(b) If the writ is directed to an employer to garnish earnings, the claim form required by RCW 6.27.130(1) to be mailed to or served on an individual judgment debtor shall be in the following form, subject to (c) of this subsection, printed or typed in no smaller than size twelve point font type:

[Caption to be filled in by judgment creditor or plaintiff before mailing.]

.....
Name of Court

..... No
Plaintiff,

vs.

..... EXEMPTION CLAIM
Defendant,

.....
Garnishee Defendant

INSTRUCTIONS:

1. Read this whole form after reading the enclosed notice. Then put an X in the box or boxes that describe your exemption claim or claims and write in the necessary information on the blank lines. If additional space is needed, use the bottom of the last page or attach another sheet.
2. Make two copies of the completed form. Deliver the original form by first-class mail or in person to the clerk of the court, whose address is shown at the bottom of the writ of garnishment. Deliver one of the copies by first-class mail or in person to the plaintiff or plaintiff's attorney, whose name and address are shown at the bottom of the writ. Keep the other copy. YOU SHOULD DO THIS AS QUICKLY AS POSSIBLE, BUT NO LATER THAN 28 DAYS (4 WEEKS) AFTER THE DATE ON THE WRIT.

I/We claim the following money or property as exempt:

IF PENSION OR RETIREMENT BENEFITS ARE GARNISHED:

[] Name and address of employer who is paying the benefits:

IF EARNINGS ARE GARNISHED FOR CHILD SUPPORT:

[] I claim maximum exemption.

IF EARNINGS ARE GARNISHED FOR PRIVATE STUDENT LOAN DEBT:

[] I claim maximum exemption.

.....
Print: Your name If married or in a state registered domestic partnership, name of husband/wife/state registered domestic partner

.....
Your signature Signature of husband, wife, or state registered domestic partner

.....
.....
Address Address (if different from yours)

.....
Telephone number Telephone number (if different from yours)

CAUTION: If the plaintiff objects to your claim, you will have to go to court and give proof of your claim. For example, if you claim that a bank account is exempt, you may have to show the judge your bank statements and papers that show the source of the money you deposited in the bank. Your claim may be granted more quickly if you attach copies of such proof to your claim.

IF THE JUDGE DENIES YOUR EXEMPTION CLAIM, YOU WILL HAVE TO PAY THE PLAINTIFF'S COSTS. IF THE JUDGE DECIDES THAT YOU DID NOT MAKE THE CLAIM IN GOOD FAITH, HE OR SHE MAY DECIDE THAT YOU MUST PAY THE PLAINTIFF'S ATTORNEY FEES.

(c) If the writ under (b) of this subsection is not a writ for the collection of child support, the exemption language pertaining to child support may be omitted.

(d) If the writ under (b) of this subsection is not a writ for the collection of private student loan debt, the exemption language pertaining to private student loan debt may be omitted.

Sec. 207. RCW 6.27.150 and 2012 c 159 s 9 are each amended to read as follows:

(1) Except as provided in subsections (2) and (3) of this section, if the garnishee is an employer owing the defendant earnings, then for each week of such earnings, an amount shall be exempt from garnishment which is the greatest of the following:

(a) Thirty-five times the federal minimum hourly wage in effect at the time the earnings are payable; or

(b) Seventy-five percent of the disposable earnings of the defendant.

(2) In the case of a garnishment based on a judgment or other order for child support or court order for spousal maintenance, other than a mandatory wage assignment order pursuant to chapter 26.18 RCW, or a mandatory assignment of retirement benefits pursuant to chapter 41.50 RCW, the exemption shall be fifty percent of the disposable earnings of the defendant.

(3) In the case of a garnishment based on a judgment or other order for the collection of private student loan debt, for each week of such earnings, an amount shall be exempt from garnishment which is the greater of the following:

(a) Fifty times the minimum hourly wage of the highest minimum wage law in the state at the time the earnings are payable; or

(b) Eighty-five percent of the disposable earnings of the defendant.

(4) The exemptions stated in this section shall apply whether such earnings are paid, or are to be paid, weekly, monthly, or at other intervals, and whether earnings are due the defendant for one week, a portion thereof, or for a longer period.

~~((4))~~ (5) Unless directed otherwise by the court, the garnishee shall determine and deduct exempt amounts under this section as directed in the writ of garnishment and answer, and shall pay these amounts to the defendant.

~~((5))~~ (6) No money due or earned as earnings as defined in RCW 6.27.010 shall be exempt from garnishment under the provisions of RCW 6.15.010, as now or hereafter amended.

PART III

NAME OF THE ACT

NEW SECTION. **Sec. 301.** This act may be known and cited as the student opportunity, assistance, and relief act.

Passed by the House March 3, 2018.

Passed by the Senate February 27, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 200

[Second Substitute House Bill 1377]

SCHOOL COUNSELORS, SOCIAL WORKERS, AND PSYCHOLOGISTS

AN ACT Relating to improving students' mental health by enhancing nonacademic professional services; adding new sections to chapter 28A.320 RCW; adding a new section to chapter 28A.410 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 students' unmet mental health needs pose barriers to learning and development, and ultimately student success in school. The legislature further finds that the need to identify and assist students struggling with emotional and mental health needs has reached a serious level statewide. In order to prioritize students' needs first, the legislature finds that the persons most qualified in the school setting to lead the effort in addressing this epidemic are the school counselor, school social worker, and school psychologist. The legislature further finds that the knowledge-levels and skill-levels of these nonacademic professionals must be increased in order to enhance mental health-related student support services.

(2) The legislature further finds that in chapter 175, Laws of 2007, appropriate acknowledgment was given to the fact that a professional school counselor is not just a course and career guidance professional, but a certificated educator with unique qualifications and skills to address all students' academic, personal, social, and career development needs, and that school counselors serve a vital role in maximizing student achievement by supporting a safe learning environment and addressing the needs of all students through prevention and intervention programs that are part of a comprehensive school counseling program. The legislature finds, however, that despite the language in RCW 28A.410.043 that appropriately recognizes that the role of the school counselor is multifaceted, with a focus upon students' mental health needs as well as career guidance needs, the reality in the schools is that counselor staffing levels are well below the national recommendations of one counselor to every two hundred fifty students. As a result, there are not enough counselors in the schools and many school counselors have been tasked primarily with course and career guidance responsibilities at the expense of the mental health side of school counseling. Similarly, school psychologist staffing levels are below the national recommendations of one psychologist to every five hundred to seven hundred students when providing comprehensive school psychological services, and school social worker staffing levels are below the national recommendations of one school social worker to every two hundred fifty students, or one to every fifty students with intensive needs.

(3) The legislature further finds that school counselors, social workers, and psychologists interact with students on a daily basis, thus putting them in a good position to recognize the signs of emotional or behavioral distress and make appropriate referrals. The legislature finds that individuals entering these professions need proper preparation to respond to the mental health and safety needs of students. The legislature further finds that they need ongoing professional development to address students' mental health needs and get students the help they need. The legislature further finds that Engrossed Substitute House Bill No. 1336, which became chapter 197, Laws of 2013, increased the capacity of school districts and their personnel to recognize and

respond to youth in need through comprehensive planning and additional training, but that additional opportunities for collaboration on a regular and ongoing basis are in order. By providing professional collaboration opportunities with local mental health service providers at the school district level to school counselors, social workers, and psychologists, the legislature intends to take the next step toward enabling these professionals to recognize and respond with skill and confidence to the signs of emotional or behavioral distress that they observe in students and make the appropriate referrals to evidence-based behavioral health services.

NEW SECTION. Sec. 2. A new section is added to chapter 28A.320 RCW to read as follows:

The school counselor works with developing and leading a comprehensive guidance and counseling program to focus on the academic, career, personal, and social needs of all students. School psychologists carry out special education evaluation duties, among other things. School social workers promote and support students' health, academic, and social success with counseling and support, and by providing and coordinating specialized services and resources. All of these professionals are also involved in multitiered systems of support for academic and behavioral skills. These professionals focus on student mental health, work with at-risk and marginalized students, perform risk assessments, and collaborate with mental health professionals to promote student achievement and create a safe learning environment. In order that school counselors, social workers, and psychologists have the time available to prioritize these functions, in addition to other activities requiring direct student contact, responsibilities such as data input and data tracking should be handled by nonlicensed, noncertified staff, where possible.

NEW SECTION. Sec. 3. A new section is added to chapter 28A.410 RCW to read as follows:

(1) A school psychologist is a professional educator who holds a valid school psychologist certification as defined by the professional educator standards board. Pursuant to the national association of school psychologists' model for comprehensive and integrated school psychological services, school psychologists deliver services across ten domains of practice. Two domains permeate all areas of service delivery: Data-based decision making; and consultation and collaboration. Five domains encompass direct and indirect services to children and their families: Student-level services, interventions, and instructional supports to develop academic skills; student-level interventions and mental health services to develop social and life skills; systems-level school-wide practices to promote learning; systems-level preventive and responsive services; and systems-level family school collaboration services. The three foundational domains include: Knowledge and skills related to diversity in development and learning; research and program evaluation; and legal and ethical practice.

(2) A school social worker is a professional in the fields of social work and education who holds a valid school social worker certification as defined by the professional educator standards board. The purpose and role of the school social worker is to provide an integral link between school, home, and community in helping students achieve academic and social success. This is accomplished by

removing barriers and providing services that include: Mental health and academic counseling, support for students and parents, crisis prevention and intervention, professional case management, collaboration with other professionals, organizations, and community agencies, and advocacy for students and parents. School social workers work directly with school administrators as well as students and families, at various levels and as part of an interdisciplinary team in the educational system, including at the building, district, and state level. School social workers provide leadership and professional expertise regarding the formation of school discipline policies and procedures, and through school-based mental health services, crisis management, the implementation of social-emotional learning, and other support services that impact student academic and social-emotional success. School social workers also facilitate community involvement in the schools while advocating for student success.

NEW SECTION. Sec. 4. A new section is added to chapter 28A.320 RCW to read as follows:

(1) Within existing resources, beginning in the 2019-20 school year, first-class school districts must provide a minimum of six hours of professional collaboration per year, preferably in person, for school counselors, social workers, and psychologists that focuses on the following: Recognizing signs of emotional or behavioral distress in students, including but not limited to indicators of possible substance abuse, violence, and youth suicide, screening, accessing current resources, and making appropriate referrals. Teachers may also participate in this professional collaboration, as deemed appropriate and allowed by their building administrators. School districts that have mental health centers in their area shall collaborate with local licensed mental health service providers under chapter 71.24 RCW. Those districts without a mental health center in their area shall collaborate via telephone or other remote means that allow for dialogue and discussion. By collaborating with local providers in this manner, educational staff associates get to collaborate in short but regular segments, in their own schools or near school district facilities, and school districts are not put in a position that they must obtain substitutes or otherwise expend additional funds. This local connection will also help foster a connection between school personnel and the mental health professionals in the community to whom school personnel may make referrals, in line with the legislative intent expressed throughout Engrossed Substitute House Bill No. 1336, chapter 197, Laws of 2013, to form partnerships with qualified health, mental health, and social services agencies in the community to coordinate and improve support for youth in need and the directive to the department of social and health services with respect to the provision of funds for mental health first-aid training targeted at teachers and educational staff.

(2) Second-class districts are encouraged, but not required, to collaborate and provide the professional collaboration as provided in subsection (1) of this section.

NEW SECTION. Sec. 5. (1) Subject to the availability of amounts appropriated for this specific purpose, the professional collaboration lighthouse grant program is established to assist school districts with early adoption and

implementation of mental health professional collaboration time specified under section 4 of this act.

(2) The superintendent of public instruction shall designate at least two school districts as lighthouse school districts to serve as resources and examples of best practices in designing and operating a professional collaboration program for school counselors, school social workers, school psychologists, and local licensed mental health service providers. The program must focus on recognizing signs of emotional or behavioral distress in students, for example indicators of possible substance abuse, violence, and youth suicide, screening, accessing current resources, and making appropriate referrals.

(3) The superintendent shall award grants to:

(a) Each school district designated as a lighthouse district under subsection (2) of this section; and

(b) At least four school districts wishing to implement mental health professional collaboration time, as specified under section 4 of this act, in the 2018-19 school year. In awarding the grants, the superintendent must prioritize an even mix of rural school districts and urban or suburban school districts.

(4) Grant funds may be used for: Providing technical assistance to school districts implementing a professional collaboration program; designing and implementing a professional collaboration program; developing approaches for accessing resources external to a school district; collaborating with local licensed mental health service providers; identifying successful methods of communicating with students and parents; conducting site visits; and providing supplemental materials.

(5) This section expires August 1, 2020.

NEW SECTION. Sec. 6. This act does not create any civil liability on the part of the state or any state agency, officer, employee, agent, political subdivision, or school district.

Passed by the House March 5, 2018.

Passed by the Senate February 28, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 201

[Second Engrossed Substitute House Bill 1388]

BEHAVIORAL HEALTH AUTHORITY--TRANSFER

AN ACT Relating to changing the designation of the state behavioral health authority from the department of social and health services to the health care authority and transferring the related powers, functions, and duties to the health care authority and the department of health; amending RCW 43.20A.025, 43.20A.065, 43.20A.433, 43.20A.890, 43.20A.892, 43.20A.893, 43.20A.894, 43.20A.896, 43.20A.897, 74.04.015, 71.05.020, 71.05.026, 71.05.027, 71.05.040, 71.05.100, 71.05.203, 71.05.214, 71.05.240, 71.05.285, 71.05.320, 71.05.325, 71.05.330, 71.05.335, 71.05.340, 71.05.350, 71.05.435, 71.05.510, 71.05.520, 71.05.525, 71.05.560, 71.05.590, 71.05.590, 71.05.620, 71.05.720, 71.05.732, 71.05.740, 71.05.745, 71.05.750, 71.05.755, 71.05.760, 71.05.801, 71.05.940, 71.24.015, 71.24.030, 71.24.035, 71.24.037, 71.24.045, 71.24.061, 71.24.100, 71.24.155, 71.24.160, 71.24.215, 71.24.220, 71.24.240, 71.24.300, 71.24.310, 71.24.320, 71.24.330, 71.24.340, 71.24.350, 71.24.360, 71.24.370, 71.24.380, 71.24.385, 71.24.400, 71.24.405, 71.24.415, 71.24.420, 71.24.430, 71.24.455, 71.24.460, 71.24.470, 71.24.480, 71.24.490, 71.24.500, 71.24.515, 71.24.520, 71.24.525, 71.24.530, 71.24.535, 71.24.540, 71.24.545, 71.24.555, 71.24.565, 71.24.580, 71.24.590, 71.24.595, 71.24.605, 71.24.610, 71.24.615, 71.24.620, 71.24.625, 71.24.630, 71.24.640, 71.24.645, 71.24.650,

71.24.805, 71.24.810, 71.24.850, 71.24.860, 71.24.902, 71.34.010, 71.34.300, 71.34.365, 71.34.375, 71.34.380, 71.34.385, 71.34.390, 71.34.395, 71.34.400, 71.34.405, 71.34.420, 71.34.600, 71.34.610, 71.34.630, 71.34.640, 71.34.720, 71.34.760, 71.34.780, 71.34.780, 71.34.790, 71.36.025, 71.36.040, 71.36.060, 9.41.047, 9.41.090, 9.41.094, 9.41.097, 9.41.173, 9.41.300, 41.05.015, 41.05.021, 41.05A.005, 74.09.050, 74.09.055, 74.09.080, 74.09.120, 74.09.160, 74.09.210, 74.09.220, 74.09.230, 74.09.240, 74.09.260, 74.09.280, 74.09.290, 74.09.315, 74.09.522, 74.09.530, 74.09.540, 74.09.730, 74.09.780, 74.64.010, 74.66.010, 70.02.010, 70.02.230, 70.02.240, 70.02.250, 70.02.260, 70.02.340, 70.02.350, 42.56.270, 43.70.080, 43.59.030, 48.21.180, 48.44.240, 48.46.350, 69.50.540, 2.30.020, 2.30.030, 9.41.300, 9.94A.703, 10.05.040, 10.05.050, 18.205.080, 18.88A.020, 46.61.5056, 72.09.350, 72.09.370, 72.09.380, 72.09.381, and 72.09.585; reenacting and amending RCW 71.05.215, 71.05.240, 71.05.320, 71.05.425, 71.05.445, 71.24.025, 71.24.600, 71.34.020, 71.34.720, 71.36.010, 9.41.070, 46.61.5055, and 74.34.020; adding new sections to chapter 71.24 RCW; adding new sections to chapter 41.05 RCW; adding a new section to chapter 43.70 RCW; adding a new section to chapter 71.34 RCW; adding new sections to chapter 74.09 RCW; creating new sections; recodifying RCW 43.20A.025, 43.20A.065, 43.20A.433, 43.20A.890, 43.20A.892, 43.20A.893, 43.20A.894, 43.20A.896, and 43.20A.897; decodifying RCW 71.24.065; providing effective dates; and providing an expiration date.

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

PART 1

NEW SECTION. Sec. 1001. The legislature finds that:

(1) Washington state government must be organized to be efficient, cost-effective, and responsive to its residents.

(2) Pursuant to existing legislative direction, Washington state continues to transform how it delivers behavioral health services by integrating the financing and delivery of behavioral and physical health care by 2020. Integration will improve prevention and treatment of behavioral health conditions. Integration, leading to better whole person care, should also enable many individuals to avoid commitment at the state psychiatric hospitals or divert from jails, and support them in leading healthy, productive lives.

(3) The responsibility for oversight, purchasing, and management of Washington state's community behavioral health system is currently split between the department of social and health services, which is the state's behavioral health authority, and the health care authority, which is the single state medicaid agency responsible for state health care purchasing.

(4) The health care authority is the state's primary health care purchaser. Integrating and consolidating the oversight and purchasing of state behavioral health care into a single state agency at the health care authority will align core operations and provide better, coordinated, and more cost-effective services, with the ultimate goal of achieving whole person care.

(5) The legislature therefore intends to consolidate state behavioral health care purchasing and oversight within the health care authority, positioning the state to use its full purchasing power to get the greatest value for its investment. The department of social and health services will continue to operate the state mental health institutions, with the intent of further analyzing the future proper alignment of these services.

(6) Similar to the issues with our disparate purchasing programs, the responsibility for licensing and certification of behavioral health providers and facilities is currently spread across multiple agencies, with the department of social and health services regulating some behavioral health providers and the department of health regulating others.

(7) The department of health is responsible for the majority of licensing and certification of health care providers and facilities. The state will best be able to ensure patient safety and reduce administrative burdens of licensing and certification of behavioral health providers and facilities by consolidating those functions within a single agency at the department of health. This change will streamline processes leading to improved patient safety outcomes.

(8) The legislature therefore intends to integrate and consolidate the behavioral health licensing and certification functions within the department of health.

PART 2

Sec. 2001. RCW 43.20A.025 and 2016 sp.s. c 29 s 415 are each amended to read as follows:

The (~~department of social and health services~~) authority shall adopt rules defining "appropriately trained professional person" for the purposes of conducting mental health and chemical dependency evaluations under RCW 71.34.600(3) and 71.34.650(1).

Sec. 2002. RCW 43.20A.065 and 2002 c 290 s 6 are each amended to read as follows:

The (~~department of social and health services~~) authority shall annually review and monitor the expenditures made by any county or group of counties which is funded, in whole or in part, with funds provided by chapter 290, Laws of 2002. Counties shall repay any funds that are not spent in accordance with the requirements of chapter 290, Laws of 2002.

Sec. 2003. RCW 43.20A.433 and 2005 c 504 s 802 are each amended to read as follows:

(~~Beginning July 1, 2007,~~) The (~~secretary~~) director shall require, in the contracts the (~~department~~) authority negotiates pursuant to chapters 71.24 and 70.96A RCW, that any vendor rate increases provided for mental health and chemical dependency treatment providers or programs who are parties to the contract or subcontractors of any party to the contract shall be prioritized to those providers and programs that maximize the use of evidence-based and research-based practices(~~(, as those terms are defined in section 603 of this act,)~~) unless otherwise designated by the legislature.

Sec. 2004. RCW 43.20A.890 and 2010 c 171 s 1 are each amended to read as follows:

(1) A program for (a) the prevention and treatment of problem and pathological gambling; and (b) the training of professionals in the identification and treatment of problem and pathological gambling is established within the (~~department of social and health services~~) authority, to be administered by a qualified person who has training and experience in problem gambling or the organization and administration of treatment services for persons suffering from problem gambling. The department of health may license or certify and the authority may contract with treatment facilities for any services provided under the program. The (~~department~~) authority shall track program participation and client outcomes.

(2) To receive treatment under subsection (1) of this section, a person must:

(a) Need treatment for problem or pathological gambling, or because of the problem or pathological gambling of a family member, but be unable to afford treatment; and

(b) Be targeted by the (~~(department of social and health services)~~) authority as being most amenable to treatment.

(3) Treatment under this section is available only to the extent of the funds appropriated or otherwise made available to the (~~(department of social and health services)~~) authority for this purpose. The (~~(department)~~) authority may 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, any tribal 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 or any tribal government in making an application for any grant.

(4) (~~The department may adopt rules establishing standards for the review and certification of treatment facilities under this program.~~

(~~5~~) The (~~(department of social and health services)~~) authority shall establish an advisory committee to assist it in designing, managing, and evaluating the effectiveness of the program established in this section. The advisory committee shall give due consideration in the design and management of the program that persons who hold licenses or contracts issued by the gambling commission, horse racing commission, and lottery commission are not excluded from, or discouraged from, applying to participate in the program. The committee shall include, at a minimum, persons knowledgeable in the field of problem and pathological gambling and persons representing tribal gambling, privately owned nontribal gambling, and the state lottery.

(~~(6)~~) (~~5~~) For purposes of this section, "pathological gambling" is a mental disorder characterized by loss of control over gambling, progression in preoccupation with gambling and in obtaining money to gamble, and continuation of gambling despite adverse consequences. "Problem gambling" is an earlier stage of pathological gambling which compromises, disrupts, or damages family or personal relationships or vocational pursuits.

Sec. 2005. RCW 43.20A.892 and 2005 c 369 s 3 are each amended to read as follows:

The problem gambling account is created in the state treasury. Money in the account may be spent only after appropriation. Expenditures from the account may be used only for the purposes of the program established under RCW 43.20A.890 (as recodified by this act).

Sec. 2006. RCW 43.20A.893 and 2014 c 225 s 2 are each amended 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, chapter 225, Laws of 2014 on or before August 1, 2014.

Sec. 2007. RCW 43.20A.894 and 2014 c 225 s 3 are each amended 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~~) authority 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~~) authority 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, repurchase 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))~~ authority.

(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 RCW 43.20A.893 (as recodified by 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))~~ authority's eligibility criteria for mental health and chemical dependency services.

Sec. 2008. RCW 43.20A.896 and 2014 c 225 s 4 are each amended to read as follows:

The ~~((secretary))~~ director 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 of health in rule, for the purposes of integrating such services into primary care settings for individuals with behavioral health and medical comorbidities.

Sec. 2009. RCW 43.20A.897 and 2014 c 225 s 65 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))~~ authority shall enter into agreements with the tribes and urban Indian health programs and modify behavioral health organization contracts as necessary to develop a tribal-centric behavioral health system that better serves the needs of the tribes.

Sec. 2010. RCW 74.04.015 and 2011 1st sp.s. c 15 s 62 are each amended to read as follows:

(1) The secretary of social and health services shall be the responsible state officer for the administration and disbursement of all funds, goods, commodities, and services, which may be received by the state in connection with programs of public assistance or services related directly or indirectly to assistance programs, and all other matters included in the federal social security act as amended, or any other federal act or as the same may be amended except as otherwise provided by law.

(2) The director shall be the responsible state officer for the administration and disbursement of funds that the state receives in connection with the medical services programs established under chapter 74.09 RCW, including the state children's health insurance program, Titles XIX and XXI of the social security act of 1935, as amended, and programs established under chapter 71.05, 71.24, and 71.34 RCW that are under the director's authority.

(3) The department and the authority, as appropriate, shall make such reports and render such accounting as may be required by federal law.

PART 3

Sec. 3001. RCW 71.05.020 and 2017 3rd sp.s. c 14 s 14 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, physician assistant, or psychiatric advanced registered nurse practitioner that a person should be examined or treated as a patient in a hospital;

(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) "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;

(4) "Approved substance use disorder treatment program" means a program for persons with a substance use disorder provided by a treatment program certified by the department as meeting standards adopted under chapter 71.24 RCW;

(5) "Attending staff" means any person on the staff of a public or private agency having responsibility for the care and treatment of a patient;

(6) "Authority" means the Washington state health care authority;

(7) "Chemical dependency" means:

(a) Alcoholism;

(b) Drug addiction; or

(c) Dependence on alcohol and one or more psychoactive chemicals, as the context requires;

~~((7))~~ (8) "Chemical dependency professional" means a person certified as a chemical dependency professional by the department ~~((of health))~~ under chapter 18.205 RCW;

~~((8))~~ (9) "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;

~~((9))~~ (10) "Conditional release" means a revocable modification of a commitment, which may be revoked upon violation of any of its terms;

~~((10))~~ (11) "Crisis stabilization unit" means a short-term facility or a portion of a facility licensed or certified 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;

~~((11))~~ (12) "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;

~~((12))~~ (13) "Department" means the department of ~~((social and))~~ health ~~((services))~~;

~~((13))~~ (14) "Designated crisis responder" means a mental health professional appointed by the behavioral health organization to perform the duties specified in this chapter;

~~((14))~~ (15) "Detention" or "detain" means the lawful confinement of a person, under the provisions of this chapter;

~~((15))~~ (16) "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, physician assistant working with a supervising 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 of the department of social and health services;

~~((16))~~ (17) "Developmental disability" means that condition defined in RCW 71A.10.020(5);

~~((17))~~ (18) "Director" means the director of the authority;

(19) "Discharge" means the termination of hospital medical authority. The commitment may remain in place, be terminated, or be amended by court order;

~~((18))~~ (20) "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;

~~((19))~~ (21) "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 licensed or certified as such by the department. The ~~((department))~~ authority may certify single beds as temporary evaluation and treatment beds under RCW 71.05.745. 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 of social and health services 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;

~~((20))~~ (22) "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))~~ (23) "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;

~~((22))~~ (24) "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, a long-term alcoholism or drug treatment facility, or in confinement as a result of a criminal conviction;

~~((23))~~ (25) "Imminent" means the state or condition of being likely to occur at any moment or near at hand, rather than distant or remote;

~~((24))~~ (26) "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;

~~((25))~~ (27) "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;

~~((26))~~ (28) "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;

~~((27))~~ (29) "In need of assisted outpatient mental health treatment" means that a person, as a result of a mental disorder: (a) Has been committed by a court to detention for involuntary mental health treatment at least twice during the preceding thirty-six months, or, if the person is currently committed for involuntary mental health treatment, the person has been committed to detention for involuntary mental health treatment at least once during the thirty-six months preceding the date of initial detention of the current commitment cycle; (b) is unlikely to voluntarily participate in outpatient treatment without an order for less restrictive alternative treatment, in view of the person's treatment history or current behavior; (c) is unlikely to survive safely in the community without supervision; (d) is likely to benefit from less restrictive alternative treatment; and (e) requires less restrictive alternative treatment to prevent a relapse, decompensation, or deterioration that is likely to result in the person presenting a likelihood of serious harm or the person becoming gravely disabled within a reasonably short period of time. For purposes of (a) of this subsection, time spent in a mental health facility or in confinement as a result of a criminal conviction is excluded from the thirty-six month calculation;

~~((28))~~ (30) "Judicial commitment" means a commitment by a court pursuant to the provisions of this chapter;

~~((29))~~ (31) "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 and substance use disorder service providers under RCW 71.05.130;

~~((30))~~ (32) "Less restrictive alternative treatment" means a program of individualized treatment in a less restrictive setting than inpatient treatment that includes the services described in RCW 71.05.585;

~~((31))~~ (33) "Licensed physician" means a person licensed to practice medicine or osteopathic medicine and surgery in the state of Washington;

~~((32))~~ (34) "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;

~~((33))~~ (35) "Medical clearance" means a physician or other health care provider has determined that a person is medically stable and ready for referral to the designated crisis responder;

~~((34))~~ (36) "Mental disorder" means any organic, mental, or emotional impairment which has substantial adverse effects on a person's cognitive or volitional functions;

~~((35))~~ (37) "Mental health professional" means a psychiatrist, psychologist, physician assistant working with a supervising psychiatrist, 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;

~~((36))~~ (38) "Mental health service provider" means a public or private agency that provides mental health services to persons with mental disorders or substance use 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 behavioral health programs as defined in RCW 71.24.025, facilities conducting competency evaluations and restoration under chapter 10.77 RCW, approved substance use disorder treatment programs as defined in this section, secure detoxification facilities as defined in this section, and correctional facilities operated by state and local governments;

~~((37))~~ (39) "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;

~~((38))~~ (40) "Physician assistant" means a person licensed as a physician assistant under chapter 18.57A or 18.71A RCW;

~~((39))~~ (41) "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, or approved substance use disorder treatment program, which is conducted for, or includes a department or ward conducted

for, the care and treatment of persons with mental illness, substance use disorders, or both mental illness and substance use disorders;

~~((40))~~ (42) "Professional person" means a mental health professional, chemical dependency professional, or designated crisis responder and shall also mean a physician, physician assistant, 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;

~~((41))~~ (43) "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;

~~((42))~~ (44) "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;

~~((43))~~ (45) "Psychologist" means a person who has been licensed as a psychologist pursuant to chapter 18.83 RCW;

~~((44))~~ (46) "Public agency" means any evaluation and treatment facility or institution, secure detoxification facility, approved substance use disorder treatment program, or hospital which is conducted for, or includes a department or ward conducted for, the care and treatment of persons with mental illness, substance use disorders, or both mental illness and substance use disorders, if the agency is operated directly by federal, state, county, or municipal government, or a combination of such governments;

~~((45))~~ "Registration records" include all the records of the department, 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 or substance use disorders;

(46)) (47) "Release" means legal termination of the commitment under the provisions of this chapter;

~~((47))~~ (48) "Resource management services" has the meaning given in chapter 71.24 RCW;

~~((48))~~ (49) "Secretary" means the secretary of the department of ~~(social and)~~ health ~~(services)~~, or his or her designee;

~~((49))~~ (50) "Secure detoxification facility" means a facility operated by either a public or private agency or by the program of an agency that:

(a) Provides for intoxicated persons:

(i) Evaluation and assessment, provided by certified chemical dependency professionals;

(ii) Acute or subacute detoxification services; and

(iii) Discharge assistance provided by certified chemical dependency professionals, including facilitating transitions to appropriate voluntary or involuntary inpatient services or to less restrictive alternatives as appropriate for the individual;

(b) Includes security measures sufficient to protect the patients, staff, and community; and

(c) Is licensed or certified as such by the department of health;

~~((50))~~ (51) "Serious violent offense" has the same meaning as provided in RCW 9.94A.030;

~~((51))~~ (52) "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;

~~((52))~~ (53) "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;

~~((53))~~ (54) "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;

~~((54))~~ (55) "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 of social and health services, ~~((by))~~ the department, the authority, 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 of social and health services, the department, the authority, behavioral health organizations, or a treatment facility if the notes or records are not available to others;

~~((55))~~ (56) "Triage facility" means a short-term facility or a portion of a facility licensed or certified 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;

~~((56))~~ (57) "Violent act" means behavior that resulted in homicide, attempted suicide, nonfatal injuries, or substantial damage to property.

Sec. 3002. RCW 71.05.026 and 2016 sp.s. c 29 s 206 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))~~ authority and the 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 or inpatient substance use disorder treatment.

(3) This section applies to counties, behavioral health organizations, and entities which contract to provide behavioral health organization services and their subcontractors, agents, or employees.

Sec. 3003. RCW 71.05.027 and 2014 c 225 s 82 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))~~ 71.24.630 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 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))~~ 71.24.630.

Sec. 3004. RCW 71.05.040 and 2004 c 166 s 2 are each amended to read as follows:

Persons ~~((who are developmentally disabled))~~ with developmental disabilities, impaired by ~~((chronic alcoholism or drug abuse))~~ substance use disorder, or suffering from dementia shall not be detained for evaluation and treatment or judicially committed solely by reason of that condition unless such condition causes a person to be gravely disabled or as a result of a mental disorder such condition exists that constitutes a likelihood of serious harm ~~((= Provided))~~. However, ((That)) persons ~~((who are developmentally disabled))~~ with developmental disabilities, impaired by ~~((chronic alcoholism or drug abuse))~~ substance use disorder, or suffering from dementia and who otherwise meet the criteria for detention or judicial commitment are not ineligible for detention or commitment based on this condition alone.

Sec. 3005. RCW 71.05.100 and 1997 c 112 s 6 are each amended to read as follows:

In addition to the responsibility provided for by RCW 43.20B.330, any person, or his or her estate, or his or her spouse, or the parents of a minor person who is involuntarily detained pursuant to this chapter for the purpose of treatment and evaluation outside of a facility maintained and operated by the department of social and health services shall be responsible for the cost of such care and treatment. In the event that an individual is unable to pay for such treatment or in the event payment would result in a substantial hardship upon the individual or his or her family, then the county of residence of such person shall be responsible for such costs. If it is not possible to determine the county of residence of the person, the cost shall be borne by the county where the person was originally detained. The department of social and health services, or the authority, as appropriate, shall, pursuant to chapter 34.05 RCW, adopt standards as to (1) inability to pay in whole or in part, (2) a definition of substantial hardship, and (3) appropriate payment schedules. ~~((Such standards shall be applicable to all county mental health administrative boards.))~~ Financial responsibility with respect to ~~((department))~~ services and facilities of the

department of social and health services shall continue to be as provided in RCW 43.20B.320 through 43.20B.360 and 43.20B.370.

Sec. 3006. RCW 71.05.203 and 2017 3rd sp.s. c 14 s 4 are each amended to read as follows:

(1) The (~~(department)~~) authority and each behavioral health organization or agency employing designated crisis responders shall publish information in an easily accessible format describing the process for an immediate family member, guardian, or conservator to petition for court review of a detention decision under RCW 71.05.201.

(2) A designated crisis responder or designated crisis responder agency that receives a request for investigation for possible detention under this chapter must inquire whether the request comes from an immediate family member, guardian, or conservator who would be eligible to petition under RCW 71.05.201. If the designated crisis responder decides not to detain the person for evaluation and treatment under RCW 71.05.150 or 71.05.153 or forty-eight hours have elapsed since the request for investigation was received and the designated crisis responder has not taken action to have the person detained, the designated crisis responder or designated crisis responder agency must inform the immediate family member, guardian, or conservator who made the request for investigation about the process to petition for court review under RCW 71.05.201 and, to the extent feasible, provide the immediate family member, guardian, or conservator with written or electronic information about the petition process. If provision of written or electronic information is not feasible, the designated crisis responder or designated crisis responder agency must refer the immediate family member, guardian, or conservator to a web site where published information on the petition process may be accessed. The designated crisis responder or designated crisis responder agency must document the manner and date on which the information required under this subsection was provided to the immediate family member, guardian, or conservator.

(3) A designated crisis responder or designated crisis responder agency must, upon request, disclose the date of a designated crisis responder investigation under this chapter to an immediate family member, guardian, or conservator of a person to assist in the preparation of a petition under RCW 71.05.201.

Sec. 3007. RCW 71.05.214 and 2016 sp.s. c 29 s 227 are each amended to read as follows:

The (~~(department)~~) authority shall develop statewide protocols to be utilized by professional persons and designated crisis responders in administration of this chapter and chapter 10.77 RCW. The protocols shall be updated at least every three years. The protocols shall provide uniform development and application of criteria in evaluation and commitment recommendations, of persons who have, or are alleged to have, mental disorders or substance use disorders and are subject to this chapter.

The initial protocols shall be developed not later than September 1, 1999. The (~~(department)~~) authority shall develop and update the protocols in consultation with representatives of designated crisis responders, the department of social and health services, local government, law enforcement, county and city prosecutors, public defenders, and groups concerned with mental illness and

substance use disorders. The protocols shall be submitted to the governor and legislature upon adoption by the (~~department~~) authority.

Sec. 3008. RCW 71.05.215 and 2016 sp.s. c 29 s 228 and 2016 c 155 s 3 are each reenacted and amended to read as follows:

(1) A person found to be gravely disabled or presents a likelihood of serious harm as a result of a mental disorder or substance use disorder has a right to refuse antipsychotic medication unless it is determined that the failure to medicate may result in a likelihood of serious harm or substantial deterioration or substantially prolong the length of involuntary commitment and there is no less intrusive course of treatment than medication in the best interest of that person.

(2) The (~~department~~) authority shall adopt rules to carry out the purposes of this chapter. These rules shall include:

(a) An attempt to obtain the informed consent of the person prior to administration of antipsychotic medication.

(b) For short-term treatment up to thirty days, the right to refuse antipsychotic medications unless there is an additional concurring medical opinion approving medication by a psychiatrist, physician assistant working with a supervising psychiatrist, psychiatric advanced registered nurse practitioner, or physician or physician assistant in consultation with a mental health professional with prescriptive authority.

(c) For continued treatment beyond thirty days through the hearing on any petition filed under RCW 71.05.217, the right to periodic review of the decision to medicate by the medical director or designee.

(d) Administration of antipsychotic medication in an emergency and review of this decision within twenty-four hours. An emergency exists if the person presents an imminent likelihood of serious harm, and medically acceptable alternatives to administration of antipsychotic medications are not available or are unlikely to be successful; and in the opinion of the physician, physician assistant, or psychiatric advanced registered nurse practitioner, the person's condition constitutes an emergency requiring the treatment be instituted prior to obtaining a second medical opinion.

(e) Documentation in the medical record of the attempt by the physician, physician assistant, or psychiatric advanced registered nurse practitioner to obtain informed consent and the reasons why antipsychotic medication is being administered over the person's objection or lack of consent.

Sec. 3009. RCW 71.05.240 and 2016 sp.s. c 29 s 232 and 2016 c 45 s 2 are each reenacted and amended to read as follows:

(1) If a petition is filed for fourteen day involuntary treatment or ninety days of less restrictive alternative treatment, the court shall hold a probable cause hearing within seventy-two hours of the initial detention or involuntary outpatient evaluation of such person as determined in RCW 71.05.180. If requested by the person or his or her attorney, the hearing may be postponed for a period not to exceed forty-eight hours. The hearing may also be continued subject to the conditions set forth in RCW 71.05.210 or subject to the petitioner's showing of good cause for a period not to exceed twenty-four hours.

(2) If the petition is for mental health treatment, the court at the time of the probable cause hearing and before an order of commitment is entered shall

inform the person both orally and in writing that the failure to make a good faith effort to seek voluntary treatment as provided in RCW 71.05.230 will result in the loss of his or her firearm rights if the person is subsequently detained for involuntary treatment under this section.

(3)(a) Subject to (b) of this subsection, at the conclusion of the probable cause hearing, if the court finds by a preponderance of the evidence that such person, as the result of a mental disorder or substance use disorder, presents a likelihood of serious harm, or is gravely disabled, and, after considering less restrictive alternatives to involuntary detention and treatment, finds that no such alternatives are in the best interests of such person or others, the court shall order that such person be detained for involuntary treatment not to exceed fourteen days in a facility licensed or certified to provide treatment by the department.

(b) Commitment for up to fourteen days based on a substance use disorder must be to either a secure detoxification facility or an approved substance use disorder treatment program. A court may only enter a commitment order based on a substance use disorder if there is an available secure detoxification facility or approved substance use disorder treatment program with adequate space for the person.

(c) At the conclusion of the probable cause hearing, if the court finds by a preponderance of the evidence that such person, as the result of a mental disorder or substance use disorder, presents a likelihood of serious harm, or is gravely disabled, but that treatment in a less restrictive setting than detention is in the best interest of such person or others, the court shall order an appropriate less restrictive alternative course of treatment for not to exceed ninety days.

(d) If the court finds by a preponderance of the evidence that such person, as the result of a mental disorder, is in need of assisted outpatient mental health treatment, and that the person does not present a likelihood of serious harm or grave disability, the court shall order an appropriate less restrictive alternative course of treatment not to exceed ninety days, and may not order inpatient treatment.

(e) An order for less restrictive alternative treatment must name the mental health service provider responsible for identifying the services the person will receive in accordance with RCW 71.05.585, and must include a requirement that the person cooperate with the services planned by the mental health service provider.

(4) The court shall specifically state to such person and give such person notice in writing that if involuntary treatment beyond the fourteen day period or beyond the ninety days of less restrictive treatment is to be sought, such person will have the right to a full hearing or jury trial as required by RCW 71.05.310. If the commitment is for mental health treatment, the court shall also state to the person and provide written notice that the person is barred from the possession of firearms and that the prohibition remains in effect until a court restores his or her right to possess a firearm under RCW 9.41.047.

Sec. 3010. RCW 71.05.240 and 2016 sp.s. c 29 s 233 are each amended to read as follows:

(1) If a petition is filed for fourteen day involuntary treatment or ninety days of less restrictive alternative treatment, the court shall hold a probable cause hearing within seventy-two hours of the initial detention or involuntary outpatient evaluation of such person as determined in RCW 71.05.180. If

requested by the person or his or her attorney, the hearing may be postponed for a period not to exceed forty-eight hours. The hearing may also be continued subject to the conditions set forth in RCW 71.05.210 or subject to the petitioner's showing of good cause for a period not to exceed twenty-four hours.

(2) If the petition is for mental health treatment, the court at the time of the probable cause hearing and before an order of commitment is entered shall inform the person both orally and in writing that the failure to make a good faith effort to seek voluntary treatment as provided in RCW 71.05.230 will result in the loss of his or her firearm rights if the person is subsequently detained for involuntary treatment under this section.

(3)(a) Subject to (b) of this subsection, at the conclusion of the probable cause hearing, if the court finds by a preponderance of the evidence that such person, as the result of a mental disorder or substance use disorder, presents a likelihood of serious harm, or is gravely disabled, and, after considering less restrictive alternatives to involuntary detention and treatment, finds that no such alternatives are in the best interests of such person or others, the court shall order that such person be detained for involuntary treatment not to exceed fourteen days in a facility licensed or certified to provide treatment by the department.

(b) Commitment for up to fourteen days based on a substance use disorder must be to either a secure detoxification facility or an approved substance use disorder treatment program.

(c) At the conclusion of the probable cause hearing, if the court finds by a preponderance of the evidence that such person, as the result of a mental disorder or substance use disorder, presents a likelihood of serious harm, or is gravely disabled, but that treatment in a less restrictive setting than detention is in the best interest of such person or others, the court shall order an appropriate less restrictive alternative course of treatment for not to exceed ninety days.

(d) If the court finds by a preponderance of the evidence that such person, as the result of a mental disorder, is in need of assisted outpatient mental health treatment, and that the person does not present a likelihood of serious harm or grave disability, the court shall order an appropriate less restrictive alternative course of treatment not to exceed ninety days, and may not order inpatient treatment.

(e) An order for less restrictive alternative treatment must name the mental health service provider responsible for identifying the services the person will receive in accordance with RCW 71.05.585, and must include a requirement that the person cooperate with the services planned by the mental health service provider.

(4) The court shall specifically state to such person and give such person notice in writing that if involuntary treatment beyond the fourteen day period or beyond the ninety days of less restrictive treatment is to be sought, such person will have the right to a full hearing or jury trial as required by RCW 71.05.310. If the commitment is for mental health treatment, the court shall also state to the person and provide written notice that the person is barred from the possession of firearms and that the prohibition remains in effect until a court restores his or her right to possess a firearm under RCW 9.41.047.

Sec. 3011. RCW 71.05.285 and 2001 c 12 s 1 are each amended to read as follows:

In determining whether an inpatient or less restrictive alternative commitment under the process provided in RCW 71.05.280 and 71.05.320(~~((2))~~) (4) is appropriate, great weight shall be given to evidence of a prior history or pattern of decompensation and discontinuation of treatment resulting in: (1) Repeated hospitalizations; or (2) repeated peace officer interventions resulting in juvenile offenses, criminal charges, diversion programs, or jail admissions. Such evidence may be used to provide a factual basis for concluding that the individual would not receive, if released, such care as is essential for his or her health or safety.

Sec. 3012. RCW 71.05.320 and 2016 sp.s. c 29 s 237 and 2016 c 45 s 4 are each reenacted and amended to read as follows:

(1)(a) Subject to (b) of this subsection, if the court or jury finds that grounds set forth in RCW 71.05.280 have been proven and that the best interests of the person or others will not be served by a less restrictive treatment which is an alternative to detention, the court shall remand him or her to the custody of the department of social and health services or to a facility certified for ninety day treatment by the department for a further period of intensive treatment not to exceed ninety days from the date of judgment.

(b) If the order for inpatient treatment is based on a substance use disorder, treatment must take place at an approved substance use disorder treatment program. The court may only enter an order for commitment based on a substance use disorder if there is an available approved substance use disorder treatment program with adequate space for the person.

(c) If the grounds set forth in RCW 71.05.280(3) are the basis of commitment, then the period of treatment may be up to but not exceed one hundred eighty days from the date of judgment (~~((#))~~) to the custody of the department of social and health services or to a facility certified for one hundred eighty day treatment by the department.

(2) If the court or jury finds that grounds set forth in RCW 71.05.280 have been proven, but finds that treatment less restrictive than detention will be in the best interest of the person or others, then the court shall remand him or her to the custody of the department of social and health services or to a facility certified for ninety day treatment by the department or to a less restrictive alternative for a further period of less restrictive treatment not to exceed ninety days from the date of judgment. If the order for less restrictive treatment is based on a substance use disorder, treatment must be provided by an approved substance use disorder treatment program. If the grounds set forth in RCW 71.05.280(3) are the basis of commitment, then the period of treatment may be up to but not exceed one hundred eighty days from the date of judgment. If the court or jury finds that the grounds set forth in RCW 71.05.280(5) have been proven, and provide the only basis for commitment, the court must enter an order for less restrictive alternative treatment for up to ninety days from the date of judgment and may not order inpatient treatment.

(3) An order for less restrictive alternative treatment entered under subsection (2) of this section must name the mental health service provider responsible for identifying the services the person will receive in accordance with RCW 71.05.585, and must include a requirement that the person cooperate with the services planned by the mental health service provider.

(4) The person shall be released from involuntary treatment at the expiration of the period of commitment imposed under subsection (1) or (2) of this section unless the superintendent or professional person in charge of the facility in which he or she is confined, or in the event of a less restrictive alternative, the designated crisis responder, files a new petition for involuntary treatment on the grounds that the committed person:

(a) During the current period of court ordered treatment: (i) Has threatened, attempted, or inflicted physical harm upon the person of another, or substantial damage upon the property of another, and (ii) as a result of a mental disorder, substance use disorder, or developmental disability presents a likelihood of serious harm; or

(b) Was taken into custody as a result of conduct in which he or she attempted or inflicted serious physical harm upon the person of another, and continues to present, as a result of mental disorder, substance use disorder, or developmental disability a likelihood of serious harm; or

(c)(i) Is in custody pursuant to RCW 71.05.280(3) and as a result of mental disorder or developmental disability continues to present a substantial likelihood of repeating acts similar to the charged criminal behavior, when considering the person's life history, progress in treatment, and the public safety.

(ii) In cases under this subsection where the court has made an affirmative special finding under RCW 71.05.280(3)(b), the commitment shall continue for up to an additional one hundred eighty day period whenever the petition presents prima facie evidence that the person continues to suffer from a mental disorder or developmental disability that results in a substantial likelihood of committing acts similar to the charged criminal behavior, unless the person presents proof through an admissible expert opinion that the person's condition has so changed such that the mental disorder or developmental disability no longer presents a substantial likelihood of the person committing acts similar to the charged criminal behavior. The initial or additional commitment period may include transfer to a specialized program of intensive support and treatment, which may be initiated prior to or after discharge from the state hospital; or

(d) Continues to be gravely disabled; or

(e) Is in need of assisted outpatient mental health treatment.

If the conduct required to be proven in (b) and (c) of this subsection was found by a judge or jury in a prior trial under this chapter, it shall not be necessary to prove such conduct again.

If less restrictive alternative treatment is sought, the petition shall set forth any recommendations for less restrictive alternative treatment services.

(5) A new petition for involuntary treatment filed under subsection (4) of this section shall be filed and heard in the superior court of the county of the facility which is filing the new petition for involuntary treatment unless good cause is shown for a change of venue. The cost of the proceedings shall be borne by the state.

(6)(a) The hearing shall be held as provided in RCW 71.05.310, and if the court or jury finds that the grounds for additional confinement as set forth in this section are present, subject to subsection (1)(b) of this section, the court may order the committed person returned for an additional period of treatment not to exceed one hundred eighty days from the date of judgment, except as provided in subsection (7) of this section. If the court's order is based solely on the

grounds identified in subsection (4)(e) of this section, the court may enter an order for less restrictive alternative treatment not to exceed one hundred eighty days from the date of judgment, and may not enter an order for inpatient treatment. An order for less restrictive alternative treatment must name the mental health service provider responsible for identifying the services the person will receive in accordance with RCW 71.05.585, and must include a requirement that the person cooperate with the services planned by the mental health service provider.

(b) At the end of the one hundred eighty day period of commitment, or one-year period of commitment if subsection (7) of this section applies, the committed person shall be released unless a petition for an additional one hundred eighty day period of continued treatment is filed and heard in the same manner as provided in this section. Successive one hundred eighty day commitments are permissible on the same grounds and pursuant to the same procedures as the original one hundred eighty day commitment.

(7) An order for less restrictive treatment entered under subsection (6) of this section may be for up to one year when the person's previous commitment term was for intensive inpatient treatment in a state hospital.

(8) No person committed as provided in this section may be detained unless a valid order of commitment is in effect. No order of commitment can exceed one hundred eighty days in length except as provided in subsection (7) of this section.

Sec. 3013. RCW 71.05.320 and 2016 sp.s. c 29 s 238 are each amended to read as follows:

(1) If the court or jury finds that grounds set forth in RCW 71.05.280 have been proven and that the best interests of the person or others will not be served by a less restrictive treatment which is an alternative to detention, the court shall remand him or her to the custody of the department of social and health services or to a facility certified for ninety day treatment by the department for a further period of intensive treatment not to exceed ninety days from the date of judgment.

If the order for inpatient treatment is based on a substance use disorder, treatment must take place at an approved substance use disorder treatment program. If the grounds set forth in RCW 71.05.280(3) are the basis of commitment, then the period of treatment may be up to but not exceed one hundred eighty days from the date of judgment ~~((#))~~ to the custody of the department of social and health services or to a facility certified for one hundred eighty day treatment by the department.

(2) If the court or jury finds that grounds set forth in RCW 71.05.280 have been proven, but finds that treatment less restrictive than detention will be in the best interest of the person or others, then the court shall remand him or her to the custody of the department of social and health services or to a facility certified for ninety day treatment by the department or to a less restrictive alternative for a further period of less restrictive treatment not to exceed ninety days from the date of judgment. If the order for less restrictive treatment is based on a substance use disorder, treatment must be provided by an approved substance use disorder treatment program. If the grounds set forth in RCW 71.05.280(3) are the basis of commitment, then the period of treatment may be up to but not exceed one hundred eighty days from the date of judgment. If the court or jury

finds that the grounds set forth in RCW 71.05.280(5) have been proven, and provide the only basis for commitment, the court must enter an order for less restrictive alternative treatment for up to ninety days from the date of judgment and may not order inpatient treatment.

(3) An order for less restrictive alternative treatment entered under subsection (2) of this section must name the mental health service provider responsible for identifying the services the person will receive in accordance with RCW 71.05.585, and must include a requirement that the person cooperate with the services planned by the mental health service provider.

(4) The person shall be released from involuntary treatment at the expiration of the period of commitment imposed under subsection (1) or (2) of this section unless the superintendent or professional person in charge of the facility in which he or she is confined, or in the event of a less restrictive alternative, the designated crisis responder, files a new petition for involuntary treatment on the grounds that the committed person:

(a) During the current period of court ordered treatment: (i) Has threatened, attempted, or inflicted physical harm upon the person of another, or substantial damage upon the property of another, and (ii) as a result of a mental disorder, substance use disorder, or developmental disability presents a likelihood of serious harm; or

(b) Was taken into custody as a result of conduct in which he or she attempted or inflicted serious physical harm upon the person of another, and continues to present, as a result of mental disorder, substance use disorder, or developmental disability a likelihood of serious harm; or

(c)(i) Is in custody pursuant to RCW 71.05.280(3) and as a result of mental disorder or developmental disability continues to present a substantial likelihood of repeating acts similar to the charged criminal behavior, when considering the person's life history, progress in treatment, and the public safety.

(ii) In cases under this subsection where the court has made an affirmative special finding under RCW 71.05.280(3)(b), the commitment shall continue for up to an additional one hundred eighty day period whenever the petition presents prima facie evidence that the person continues to suffer from a mental disorder or developmental disability that results in a substantial likelihood of committing acts similar to the charged criminal behavior, unless the person presents proof through an admissible expert opinion that the person's condition has so changed such that the mental disorder or developmental disability no longer presents a substantial likelihood of the person committing acts similar to the charged criminal behavior. The initial or additional commitment period may include transfer to a specialized program of intensive support and treatment, which may be initiated prior to or after discharge from the state hospital; or

(d) Continues to be gravely disabled; or

(e) Is in need of assisted outpatient mental health treatment.

If the conduct required to be proven in (b) and (c) of this subsection was found by a judge or jury in a prior trial under this chapter, it shall not be necessary to prove such conduct again.

If less restrictive alternative treatment is sought, the petition shall set forth any recommendations for less restrictive alternative treatment services.

(5) A new petition for involuntary treatment filed under subsection (4) of this section shall be filed and heard in the superior court of the county of the

facility which is filing the new petition for involuntary treatment unless good cause is shown for a change of venue. The cost of the proceedings shall be borne by the state.

(6)(a) The hearing shall be held as provided in RCW 71.05.310, and if the court or jury finds that the grounds for additional confinement as set forth in this section are present, the court may order the committed person returned for an additional period of treatment not to exceed one hundred eighty days from the date of judgment, except as provided in subsection (7) of this section. If the court's order is based solely on the grounds identified in subsection (4)(e) of this section, the court may enter an order for less restrictive alternative treatment not to exceed one hundred eighty days from the date of judgment, and may not enter an order for inpatient treatment. An order for less restrictive alternative treatment must name the mental health service provider responsible for identifying the services the person will receive in accordance with RCW 71.05.585, and must include a requirement that the person cooperate with the services planned by the mental health service provider.

(b) At the end of the one hundred eighty day period of commitment, or one-year period of commitment if subsection (7) of this section applies, the committed person shall be released unless a petition for an additional one hundred eighty day period of continued treatment is filed and heard in the same manner as provided in this section. Successive one hundred eighty day commitments are permissible on the same grounds and pursuant to the same procedures as the original one hundred eighty day commitment.

(7) An order for less restrictive treatment entered under subsection (6) of this section may be for up to one year when the person's previous commitment term was for intensive inpatient treatment in a state hospital.

(8) No person committed as provided in this section may be detained unless a valid order of commitment is in effect. No order of commitment can exceed one hundred eighty days in length except as provided in subsection (7) of this section.

Sec. 3014. RCW 71.05.325 and 2016 sp.s. c 29 s 239 are each amended to read as follows:

(1) Before a person committed under grounds set forth in RCW 71.05.280(3) is released because a new petition for involuntary treatment has not been filed under RCW 71.05.320(~~(3)~~) (4), the superintendent, professional person, or designated crisis responder responsible for the decision whether to file a new petition shall in writing notify the prosecuting attorney of the county in which the criminal charges against the committed person were dismissed, of the decision not to file a new petition for involuntary treatment. Notice shall be provided at least forty-five days before the period of commitment expires.

(2)(a) Before a person committed under grounds set forth in RCW 71.05.280(3) is permitted temporarily to leave a treatment facility pursuant to RCW 71.05.270 for any period of time without constant accompaniment by facility staff, the superintendent, professional person in charge of a treatment facility, or his or her professional designee shall in writing notify the prosecuting attorney of any county of the person's destination and the prosecuting attorney of the county in which the criminal charges against the committed person were dismissed. The notice shall be provided at least forty-five days before the

anticipated leave and shall describe the conditions under which the leave is to occur.

(b) The provisions of RCW 71.05.330(2) apply to proposed leaves, and either or both prosecuting attorneys receiving notice under this subsection may petition the court under RCW 71.05.330(2).

(3) Nothing in this section shall be construed to authorize detention of a person unless a valid order of commitment is in effect.

(4) The existence of the notice requirements in this section will not require any extension of the leave date in the event the leave plan changes after notification.

(5) The notice requirements contained in this section shall not apply to emergency medical transfers.

(6) The notice provisions of this section are in addition to those provided in RCW 71.05.425.

Sec. 3015. RCW 71.05.330 and 1998 c 297 s 20 are each amended to read as follows:

(1) Nothing in this chapter shall prohibit the superintendent or professional person in charge of the hospital or facility in which the person is being involuntarily treated from releasing him or her prior to the expiration of the commitment period when, in the opinion of the superintendent or professional person in charge, the person being involuntarily treated no longer presents a likelihood of serious harm.

Whenever the superintendent or professional person in charge of a hospital or facility providing involuntary treatment pursuant to this chapter releases a person prior to the expiration of the period of commitment, the superintendent or professional person in charge shall in writing notify the court which committed the person for treatment.

(2) Before a person committed under grounds set forth in RCW 71.05.280(3) or 71.05.320(~~((2))~~) (4)(c) is released under this section, the superintendent or professional person in charge shall in writing notify the prosecuting attorney of the county in which the criminal charges against the committed person were dismissed, of the release date. Notice shall be provided at least thirty days before the release date. Within twenty days after receiving notice, the prosecuting attorney may petition the court in the county in which the person is being involuntarily treated for a hearing to determine whether the person is to be released. The prosecuting attorney shall provide a copy of the petition to the superintendent or professional person in charge of the hospital or facility providing involuntary treatment, the attorney, if any, and the guardian or conservator of the committed person. The court shall conduct a hearing on the petition within ten days of filing the petition. The committed person shall have the same rights with respect to notice, hearing, and counsel as for an involuntary treatment proceeding, except as set forth in this subsection and except that there shall be no right to jury trial. The issue to be determined at the hearing is whether or not the person may be released without substantial danger to other persons, or substantial likelihood of committing criminal acts jeopardizing public safety or security. If the court disapproves of the release, it may do so only on the basis of substantial evidence. Pursuant to the determination of the court upon the hearing, the committed person shall be released or shall be returned for involuntary treatment subject to release at the end of the period for which he or

she was committed, or otherwise in accordance with the provisions of this chapter.

Sec. 3016. RCW 71.05.335 and 1986 c 67 s 7 are each amended to read as follows:

In any proceeding under this chapter to modify a commitment order of a person committed to inpatient treatment under grounds set forth in RCW 71.05.280(3) or 71.05.320(~~(2))~~) (4)(c) in which the requested relief includes treatment less restrictive than detention, the prosecuting attorney shall be entitled to intervene. The party initiating the motion to modify the commitment order shall serve the prosecuting attorney of the county in which the criminal charges against the committed person were dismissed with written notice and copies of the initiating papers.

Sec. 3017. RCW 71.05.340 and 2016 sp.s. c 29 s 240 are each amended to read as follows:

(1)(a) When, in the opinion of the superintendent or the professional person in charge of the hospital or facility providing involuntary treatment, the committed person can be appropriately served by outpatient treatment prior to or at the expiration of the period of commitment, then such outpatient care may be required as a term of conditional release for a period which, when added to the inpatient treatment period, shall not exceed the period of commitment. If the facility or agency designated to provide outpatient treatment is other than the facility providing involuntary treatment, the outpatient facility so designated must agree in writing to assume such responsibility. A copy of the terms of conditional release shall be given to the patient, the designated crisis responder in the county in which the patient is to receive outpatient treatment, and to the court of original commitment.

(b) Before a person committed under grounds set forth in RCW 71.05.280(3) or 71.05.320(4)(c) is conditionally released under (a) of this subsection, the superintendent or professional person in charge of the hospital or facility providing involuntary treatment shall in writing notify the prosecuting attorney of the county in which the criminal charges against the committed person were dismissed, of the decision to conditionally release the person. Notice and a copy of the terms of conditional release shall be provided at least thirty days before the person is released from inpatient care. Within twenty days after receiving notice, the prosecuting attorney may petition the court in the county that issued the commitment order to hold a hearing to determine whether the person may be conditionally released and the terms of the conditional release. The prosecuting attorney shall provide a copy of the petition to the superintendent or professional person in charge of the hospital or facility providing involuntary treatment, the attorney, if any, and guardian or conservator of the committed person, and the court of original commitment. If the county in which the committed person is to receive outpatient treatment is the same county in which the criminal charges against the committed person were dismissed, then the court shall, upon the motion of the prosecuting attorney, transfer the proceeding to the court in that county. The court shall conduct a hearing on the petition within ten days of the filing of the petition. The committed person shall have the same rights with respect to notice, hearing, and counsel as for an involuntary treatment proceeding, except as set forth in this subsection and

except that there shall be no right to jury trial. The issue to be determined at the hearing is whether or not the person may be conditionally released without substantial danger to other persons, or substantial likelihood of committing criminal acts jeopardizing public safety or security. If the court disapproves of the conditional release, it may do so only on the basis of substantial evidence. Pursuant to the determination of the court upon the hearing, the conditional release of the person shall be approved by the court on the same or modified conditions or the person shall be returned for involuntary treatment on an inpatient basis subject to release at the end of the period for which he or she was committed, or otherwise in accordance with the provisions of this chapter.

(2) The facility or agency designated to provide outpatient care or the secretary of the department of social and health services may modify the conditions for continued release when such modification is in the best interest of the person. Notification of such changes shall be sent to all persons receiving a copy of the original conditions. Enforcement or revocation proceedings related to a conditional release order may occur as provided under RCW 71.05.590.

Sec. 3018. RCW 71.05.350 and 1997 c 112 s 29 are each amended to read as follows:

No indigent patient shall be conditionally released or discharged from involuntary treatment without suitable clothing, and the superintendent of a state hospital shall furnish the same, together with such sum of money as he or she deems necessary for the immediate welfare of the patient. Such sum of money shall be the same as the amount required by RCW 72.02.100 to be provided to persons in need being released from correctional institutions. As funds are available, the secretary of the department of social and health services may provide payment to indigent persons conditionally released pursuant to this chapter consistent with the optional provisions of RCW 72.02.100 and 72.02.110, and may adopt rules and regulations to do so.

Sec. 3019. RCW 71.05.425 and 2013 c 289 s 6 and 2013 c 200 s 30 are each reenacted and amended to read as follows:

(1)(a) Except as provided in subsection (2) of this section, at the earliest possible date, and in no event later than thirty days before conditional release, final release, authorized leave under RCW 71.05.325(2), or transfer to a facility other than a state mental hospital, the superintendent shall send written notice of conditional release, release, authorized leave, or transfer of a person committed under RCW 71.05.280(3) or 71.05.320(~~((3))~~) (4)(c) following dismissal of a sex, violent, or felony harassment offense pursuant to RCW 10.77.086(4) to the following:

- (i) The chief of police of the city, if any, in which the person will reside;
- (ii) The sheriff of the county in which the person will reside; and
- (iii) The prosecuting attorney of the county in which the criminal charges against the committed person were dismissed.

(b) The same notice as required by (a) of this subsection shall be sent to the following, if such notice has been requested in writing about a specific person committed under RCW 71.05.280(3) or 71.05.320(~~((3))~~) (4)(c) following dismissal of a sex, violent, or felony harassment offense pursuant to RCW 10.77.086(4):

(i) The victim of the sex, violent, or felony harassment offense that was dismissed pursuant to RCW 10.77.086(4) preceding commitment under RCW 71.05.280(3) or 71.05.320(~~((3))~~) (4)(c) or the victim's next of kin if the crime was a homicide;

(ii) Any witnesses who testified against the person in any court proceedings;

(iii) Any person specified in writing by the prosecuting attorney. Information regarding victims, next of kin, or witnesses requesting the notice, information regarding any other person specified in writing by the prosecuting attorney to receive the notice, and the notice are confidential and shall not be available to the person committed under this chapter; and

(iv) The chief of police of the city, if any, and the sheriff of the county, if any, which had jurisdiction of the person on the date of the applicable offense.

(c) The thirty-day notice requirements contained in this subsection shall not apply to emergency medical transfers.

(d) The existence of the notice requirements in this subsection will not require any extension of the release date in the event the release plan changes after notification.

(2) If a person committed under RCW 71.05.280(3) or 71.05.320(~~((3))~~) (4)(c) following dismissal of a sex, violent, or felony harassment offense pursuant to RCW 10.77.086(4) escapes, the superintendent shall immediately notify, by the most reasonable and expedient means available, the chief of police of the city and the sheriff of the county in which the person escaped and in which the person resided immediately before the person's arrest and the prosecuting attorney of the county in which the criminal charges against the committed person were dismissed. If previously requested, the superintendent shall also notify the witnesses and the victim of the sex, violent, or felony harassment offense that was dismissed pursuant to RCW 10.77.086(4) preceding commitment under RCW 71.05.280(3) or 71.05.320(~~((3))~~) (4) or the victim's next of kin if the crime was a homicide. In addition, the secretary shall also notify appropriate parties pursuant to RCW 70.02.230(2)(n). If the person is recaptured, the superintendent shall send notice to the persons designated in this subsection as soon as possible but in no event later than two working days after the department of social and health services learns of such recapture.

(3) If the victim, the victim's next of kin, or any witness is under the age of sixteen, the notice required by this section shall be sent to the parent or legal guardian of the child.

(4) The superintendent shall send the notices required by this chapter to the last address provided to the department of social and health services by the requesting party. The requesting party shall furnish the department of social and health services with a current address.

(5) For purposes of this section the following terms have the following meanings:

(a) "Violent offense" means a violent offense under RCW 9.94A.030;

(b) "Sex offense" means a sex offense under RCW 9.94A.030;

(c) "Next of kin" means a person's spouse, state registered domestic partner, parents, siblings, and children;

(d) "Felony harassment offense" means a crime of harassment as defined in RCW 9A.46.060 that is a felony.

Sec. 3020. RCW 71.05.435 and 2016 sp.s. c 29 s 246 are each amended to read as follows:

(1) Whenever a person who is the subject of an involuntary commitment order under this chapter is discharged from an evaluation and treatment facility, state hospital, secure detoxification facility, or approved substance use disorder treatment program providing involuntary treatment services, the entity discharging the person shall provide notice of the person's discharge to the designated crisis responder office responsible for the initial commitment and the designated crisis responder office that serves the county in which the person is expected to reside. The entity discharging the person must also provide these offices with a copy of any less restrictive order or conditional release order entered in conjunction with the discharge of the person, unless the entity discharging the person has entered into a memorandum of understanding obligating another entity to provide these documents.

(2) The notice and documents referred to in subsection (1) of this section shall be provided as soon as possible and no later than one business day following the discharge of the person. Notice is not required under this section if the discharge is for the purpose of transferring the person for continued detention and treatment under this chapter at another treatment facility.

(3) The ((department)) authority shall maintain and make available an updated list of contact information for designated crisis responder offices around the state.

Sec. 3021. RCW 71.05.445 and 2014 c 225 s 86 and 2014 c 220 s 14 are each reenacted and 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 email 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)) authority and the department of corrections, in consultation with 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 this 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 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)~~) authority 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 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 authority and the department(~~(s)~~) of corrections.

Sec. 3022. RCW 71.05.510 and 1974 ex.s. c 145 s 30 are each amended to read as follows:

Any individual who knowingly, (~~(willfully)~~) willfully or through gross negligence violates the provisions of this chapter by detaining a person for more than the allowable number of days shall be liable to the person detained in civil damages. It shall not be a prerequisite to an action under this section that the plaintiff shall have suffered or be threatened with special, as contrasted with general damages.

Sec. 3023. RCW 71.05.520 and 1973 1st ex.s. c 142 s 57 are each amended to read as follows:

The (~~(department of social and health services)~~) authority as the state's behavioral health authority, the department of social and health services in its operation of the state hospitals, and the department of health in exercising its function of licensing and certification of behavioral health providers and facilities shall have the responsibility to determine whether all rights of

individuals recognized and guaranteed by the provisions of this chapter and the Constitutions of the state of Washington and the United States are in fact protected and effectively secured. To this end, ~~((the department))~~ each agency shall assign appropriate staff who shall from time to time as may be necessary have authority to examine records, inspect facilities, attend proceedings, and do whatever is necessary to monitor, evaluate, and assure adherence to such rights. Such persons shall also recommend such additional safeguards or procedures as may be appropriate to secure individual rights set forth in this chapter and as guaranteed by the state and federal Constitutions.

Sec. 3024. RCW 71.05.525 and 1997 c 112 s 36 are each amended to read as follows:

When, in the judgment of the department of social and health services, the welfare of any person committed to or confined in any state juvenile correctional institution or facility necessitates that such a person be transferred or moved for observation, diagnosis or treatment to any state institution or facility for the care of ~~((mentally ill))~~ juveniles with mental illness the secretary of the department of social and health services, or his or her designee, is authorized to order and effect such move or transfer: PROVIDED, HOWEVER, That the secretary of the department of social and health services shall adopt and implement procedures to assure that persons so transferred shall, while detained or confined in such institution or facility for the care of ~~((mentally ill))~~ juveniles with mental illness, be provided with substantially similar opportunities for parole or early release evaluation and determination as persons detained or confined in state juvenile correctional institutions or facilities: PROVIDED, FURTHER, That the secretary of the department of social and health services shall notify the original committing court of such transfer.

Sec. 3025. RCW 71.05.560 and 2016 sp.s. c 29 s 248 are each amended to read as follows:

The department, the department of social and health services, and the authority shall adopt such rules as may be necessary to effectuate the intent and purposes of this chapter, which shall include but not be limited to evaluation of the quality of the program and facilities operating pursuant to this chapter, evaluation of the effectiveness and cost effectiveness of such programs and facilities, and procedures and standards for licensing or certification and other action relevant to evaluation and treatment facilities, secure detoxification facilities, and approved substance use disorder treatment programs.

Sec. 3026. RCW 71.05.590 and 2017 3rd sp.s. c 14 s 9 are each amended to read as follows:

(1) Either an agency or facility designated to monitor or provide services under a less restrictive alternative order or conditional release order, or a designated crisis responder, may take action to enforce, modify, or revoke a less restrictive alternative or conditional release order. The agency, facility, or designated crisis responder must determine that:

(a) The person is failing to adhere to the terms and conditions of the court order;

(b) Substantial deterioration in the person's functioning has occurred;

(c) There is evidence of substantial decompensation with a reasonable probability that the decompensation can be reversed by further evaluation, intervention, or treatment; or

(d) The person poses a likelihood of serious harm.

(2) Actions taken under this section must include a flexible range of responses of varying levels of intensity appropriate to the circumstances and consistent with the interests of the individual and the public in personal autonomy, safety, recovery, and compliance. Available actions may include, but are not limited to, any of the following:

(a) To counsel or advise the person as to their rights and responsibilities under the court order, and to offer appropriate incentives to motivate compliance;

(b) To increase the intensity of outpatient services provided to the person by increasing the frequency of contacts with the provider, referring the person for an assessment for assertive community services, or by other means;

(c) To request a court hearing for review and modification of the court order. The request must be made to the court with jurisdiction over the order and specify the circumstances that give rise to the request and what modification is being sought. The county prosecutor shall assist the agency or facility in requesting this hearing and issuing an appropriate summons to the person. This subsection does not limit the inherent authority of a treatment provider to alter conditions of treatment for clinical reasons, and is intended to be used only when court intervention is necessary or advisable to secure the person's compliance and prevent decompensation or deterioration;

(d) To cause the person to be transported by a peace officer, designated crisis responder, or other means to the agency or facility monitoring or providing services under the court order, or to a triage facility, crisis stabilization unit, emergency department, or to an evaluation and treatment facility if the person is committed for mental health treatment, or to a secure detoxification facility with available space or an approved substance use disorder treatment program with available space if the person is committed for substance use disorder treatment. The person may be detained at the facility for up to twelve hours for the purpose of an evaluation to determine whether modification, revocation, or commitment proceedings are necessary and appropriate to stabilize the person and prevent decompensation, deterioration, or physical harm. Temporary detention for evaluation under this subsection is intended to occur only following a pattern of noncompliance or the failure of reasonable attempts at outreach and engagement, and may occur only when in the clinical judgment of a designated crisis responder or the professional person in charge of an agency or facility designated to monitor less restrictive alternative services temporary detention is appropriate. This subsection does not limit the ability or obligation to pursue revocation procedures under subsection (4) of this section in appropriate circumstances; and

(e) To initiate revocation procedures under subsection (4) of this section.

(3) The facility or agency designated to provide outpatient treatment shall notify the secretary of the department of social and health services or designated crisis responder when a person fails to adhere to terms and conditions of court ordered treatment or experiences substantial deterioration in his or her condition and, as a result, presents an increased likelihood of serious harm.

(4)(a) A designated crisis responder or the secretary of the department of social and health services may upon their own motion or notification by the facility or agency designated to provide outpatient care order a person subject to a court order under this chapter to be apprehended and taken into custody and temporary detention in an evaluation and treatment facility in or near the county in which he or she is receiving outpatient treatment if the person is committed for mental health treatment, or, if the person is committed for substance use disorder treatment, in a secure detoxification facility or approved substance use disorder treatment program if either is available in or near the county in which he or she is receiving outpatient treatment and has adequate space. Proceedings under this subsection (4) may be initiated without ordering the apprehension and detention of the person.

(b) A person detained under this subsection (4) must be held until such time, not exceeding five days, as a hearing can be scheduled to determine whether or not the person should be returned to the hospital or facility from which he or she had been released. If the person is not detained, the hearing must be scheduled within five days of service on the person. The designated crisis responder or the secretary of the department of social and health services may modify or rescind the order at any time prior to commencement of the court hearing.

(c) The designated crisis responder or secretary of the department of social and health services shall file a revocation petition and order of apprehension and detention with the court of the county where the person is currently located or being detained. The designated crisis responder shall serve the person and their attorney, guardian, and conservator, if any. The person has the same rights with respect to notice, hearing, and counsel as in any involuntary treatment proceeding, except as specifically set forth in this section. There is no right to jury trial. The venue for proceedings is the county where the petition is filed. Notice of the filing must be provided to the court that originally ordered commitment, if different from the court where the petition for revocation is filed, within two judicial days of the person's detention.

(d) The issues for the court to determine are whether: (i) The person adhered to the terms and conditions of the court order; (ii) substantial deterioration in the person's functioning has occurred; (iii) there is evidence of substantial decompensation with a reasonable probability that the decompensation can be reversed by further inpatient treatment; or (iv) there is a likelihood of serious harm; and, if any of the above conditions apply, whether the court should reinstate or modify the person's less restrictive alternative or conditional release order or order the person's detention for inpatient treatment. The person may waive the court hearing and allow the court to enter a stipulated order upon the agreement of all parties. If the court orders detention for inpatient treatment, the treatment period may be for no longer than the period authorized in the original court order. A court may not issue an order to detain a person for inpatient treatment in a secure detoxification facility or approved substance use disorder treatment program under this subsection unless there is a secure detoxification facility or approved substance use disorder treatment program available and with adequate space for the person.

(e) Revocation proceedings under this subsection (4) are not allowable if the current commitment is solely based on the person being in need of assisted outpatient mental health treatment. In order to obtain a court order for detention

for inpatient treatment under this circumstance, a petition must be filed under RCW 71.05.150 or 71.05.153.

(5) In determining whether or not to take action under this section the designated crisis responder, agency, or facility must consider the factors specified under RCW 71.05.212 and the court must consider the factors specified under RCW 71.05.245 as they apply to the question of whether to enforce, modify, or revoke a court order for involuntary treatment.

Sec. 3027. RCW 71.05.590 and 2017 3rd sp.s. c 14 s 10 are each amended to read as follows:

(1) Either an agency or facility designated to monitor or provide services under a less restrictive alternative order or conditional release order, or a designated crisis responder, may take action to enforce, modify, or revoke a less restrictive alternative or conditional release order. The agency, facility, or designated crisis responder must determine that:

(a) The person is failing to adhere to the terms and conditions of the court order;

(b) Substantial deterioration in the person's functioning has occurred;

(c) There is evidence of substantial decompensation with a reasonable probability that the decompensation can be reversed by further evaluation, intervention, or treatment; or

(d) The person poses a likelihood of serious harm.

(2) Actions taken under this section must include a flexible range of responses of varying levels of intensity appropriate to the circumstances and consistent with the interests of the individual and the public in personal autonomy, safety, recovery, and compliance. Available actions may include, but are not limited to, any of the following:

(a) To counsel or advise the person as to their rights and responsibilities under the court order, and to offer appropriate incentives to motivate compliance;

(b) To increase the intensity of outpatient services provided to the person by increasing the frequency of contacts with the provider, referring the person for an assessment for assertive community services, or by other means;

(c) To request a court hearing for review and modification of the court order. The request must be made to the court with jurisdiction over the order and specify the circumstances that give rise to the request and what modification is being sought. The county prosecutor shall assist the agency or facility in requesting this hearing and issuing an appropriate summons to the person. This subsection does not limit the inherent authority of a treatment provider to alter conditions of treatment for clinical reasons, and is intended to be used only when court intervention is necessary or advisable to secure the person's compliance and prevent decompensation or deterioration;

(d) To cause the person to be transported by a peace officer, designated crisis responder, or other means to the agency or facility monitoring or providing services under the court order, or to a triage facility, crisis stabilization unit, emergency department, or to an evaluation and treatment facility if the person is committed for mental health treatment, or to a secure detoxification facility or an approved substance use disorder treatment program if the person is committed for substance use disorder treatment. The person may be detained at the facility for up to twelve hours for the purpose of an evaluation to determine whether

modification, revocation, or commitment proceedings are necessary and appropriate to stabilize the person and prevent decompensation, deterioration, or physical harm. Temporary detention for evaluation under this subsection is intended to occur only following a pattern of noncompliance or the failure of reasonable attempts at outreach and engagement, and may occur only when in the clinical judgment of a designated crisis responder or the professional person in charge of an agency or facility designated to monitor less restrictive alternative services temporary detention is appropriate. This subsection does not limit the ability or obligation to pursue revocation procedures under subsection (4) of this section in appropriate circumstances; and

(e) To initiate revocation procedures under subsection (4) of this section.

(3) The facility or agency designated to provide outpatient treatment shall notify the secretary of the department of social and health services or designated crisis responder when a person fails to adhere to terms and conditions of court ordered treatment or experiences substantial deterioration in his or her condition and, as a result, presents an increased likelihood of serious harm.

(4)(a) A designated crisis responder or the secretary of the department of social and health services may upon their own motion or notification by the facility or agency designated to provide outpatient care order a person subject to a court order under this chapter to be apprehended and taken into custody and temporary detention in an evaluation and treatment facility in or near the county in which he or she is receiving outpatient treatment if the person is committed for mental health treatment, or, if the person is committed for substance use disorder treatment, in a secure detoxification facility or approved substance use disorder treatment program if either is available in or near the county in which he or she is receiving outpatient treatment. Proceedings under this subsection (4) may be initiated without ordering the apprehension and detention of the person.

(b) A person detained under this subsection (4) must be held until such time, not exceeding five days, as a hearing can be scheduled to determine whether or not the person should be returned to the hospital or facility from which he or she had been released. If the person is not detained, the hearing must be scheduled within five days of service on the person. The designated crisis responder or the secretary of the department of social and health services may modify or rescind the order at any time prior to commencement of the court hearing.

(c) The designated crisis responder or secretary of the department of social and health services shall file a revocation petition and order of apprehension and detention with the court of the county where the person is currently located or being detained. The designated crisis responder shall serve the person and their attorney, guardian, and conservator, if any. The person has the same rights with respect to notice, hearing, and counsel as in any involuntary treatment proceeding, except as specifically set forth in this section. There is no right to jury trial. The venue for proceedings is the county where the petition is filed. Notice of the filing must be provided to the court that originally ordered commitment, if different from the court where the petition for revocation is filed, within two judicial days of the person's detention.

(d) The issues for the court to determine are whether: (i) The person adhered to the terms and conditions of the court order; (ii) substantial deterioration in the person's functioning has occurred; (iii) there is evidence of substantial decompensation with a reasonable probability that the decompensation can be

reversed by further inpatient treatment; or (iv) there is a likelihood of serious harm; and, if any of the above conditions apply, whether the court should reinstate or modify the person's less restrictive alternative or conditional release order or order the person's detention for inpatient treatment. The person may waive the court hearing and allow the court to enter a stipulated order upon the agreement of all parties. If the court orders detention for inpatient treatment, the treatment period may be for no longer than the period authorized in the original court order.

(e) Revocation proceedings under this subsection (4) are not allowable if the current commitment is solely based on the person being in need of assisted outpatient mental health treatment. In order to obtain a court order for detention for inpatient treatment under this circumstance, a petition must be filed under RCW 71.05.150 or 71.05.153.

(5) In determining whether or not to take action under this section the designated crisis responder, agency, or facility must consider the factors specified under RCW 71.05.212 and the court must consider the factors specified under RCW 71.05.245 as they apply to the question of whether to enforce, modify, or revoke a court order for involuntary treatment.

Sec. 3028. RCW 71.05.620 and 2016 sp.s. c 29 s 249 are each amended to read as follows:

(1) The files and records of court proceedings under this chapter and chapter 71.34 RCW shall be closed but shall be accessible to:

(a) The department;

(b) The department of social and health services;

(c) The authority;

(d) The state hospitals as defined in RCW 72.23.010;

~~((e))~~ (e) Any person who is the subject of a petition;

~~((f))~~ (f) The attorney or guardian of the person;

~~((g))~~ (g) Resource management services for that person; and

~~((h))~~ (h) Service providers authorized to receive such information by resource management services.

(2) The ~~((department))~~ authority shall adopt rules to implement this section.

Sec. 3029. RCW 71.05.720 and 2007 c 360 s 6 are each amended to read as follows:

Annually, all community mental health employees who work directly with clients shall be provided with training on safety and violence prevention topics described in RCW 49.19.030. The curriculum for the training shall be developed collaboratively among the ~~((department of social and health services))~~ authority, the department, contracted mental health providers, and employee organizations that represent community mental health workers.

Sec. 3030. RCW 71.05.732 and 2011 c 343 s 3 are each amended to read as follows:

(1) The joint legislative audit and review committee shall conduct an independent assessment of the direct costs of providing judicial services under this chapter and chapter 71.34 RCW as defined in RCW 71.05.730. The assessment shall include a review and analysis of the reasons for differences in costs among counties. The assessment shall be conducted for any county in

which more than twenty civil commitment cases were conducted during the year prior to the study. The assessment must be completed by June 1, 2012.

(2) The administrative office of the courts, the authority, and the department of social and health services shall provide the joint legislative audit and review committee with assistance and data required to complete the assessment.

(3) The joint legislative audit and review committee shall present recommendations as to methods for updating the costs identified in the assessment to reflect changes over time.

Sec. 3031. RCW 71.05.740 and 2014 c 225 s 88 are each amended to read as follows:

~~(By August 1, 2013,)~~ All 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))~~ authority. As soon as feasible, the behavioral health organizations must arrange to report new commitment data to the ~~((department))~~ authority 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))~~ authority. Behavioral health organizations and the ~~((department))~~ authority shall be immune from liability related to the sharing of commitment information under this section.

Sec. 3032. RCW 71.05.745 and 2016 sp.s. c 29 s 252 are each amended to read as follows:

(1) The ~~((department))~~ authority may use a single bed certification process as outlined in rule to provide additional treatment capacity for a person suffering from a mental disorder for whom an evaluation and treatment bed is not available. The facility that is the proposed site of the single bed certification must be a facility that is willing and able to provide the person with timely and appropriate treatment either directly or by arrangement with other public or private agencies.

(2) A single bed certification must be specific to the patient receiving treatment.

(3) A designated crisis responder who submits an application for a single bed certification for treatment at a facility that is willing and able to provide timely and appropriate mental health treatment in good faith belief that the single bed certification is appropriate may presume that the single bed certification will be approved for the purpose of completing the detention process and responding to other emergency calls.

(4) The ~~((department))~~ authority may adopt rules implementing this section and continue to enforce rules it has already adopted except where inconsistent with this section.

Sec. 3033. RCW 71.05.750 and 2016 sp.s. c 29 s 253 are each amended to read as follows:

(1) A designated crisis responder shall make a report to the ~~((department))~~ authority when he or she determines a person meets detention criteria under RCW 71.05.150, 71.05.153, 71.34.700, or 71.34.710 and there are not any beds available at an evaluation and treatment facility, the person has not been provisionally accepted for admission by a facility, and the person cannot be served on a single bed certification or less restrictive alternative. Starting at the

time when the designated crisis responder determines a person meets detention criteria and the investigation has been completed, the designated crisis responder has twenty-four hours to submit a completed report to the ~~((department))~~ authority.

(2) The report required under subsection (1) of this section must contain at a minimum:

- (a) The date and time that the investigation was completed;
- (b) The identity of the responsible behavioral health organization;
- (c) The county in which the person met detention criteria;
- (d) A list of facilities which refused to admit the person; and
- (e) Identifying information for the person, including age or date of birth.

(3) The ~~((department))~~ authority shall develop a standardized reporting form or modify the current form used for single bed certifications for the report required under subsection (2) of this section and may require additional reporting elements as it determines are necessary or supportive. The ~~((department))~~ authority shall also determine the method for the transmission of the completed report from the designated crisis responder to the ~~((department))~~ authority.

(4) The ~~((department))~~ authority shall create quarterly reports displayed on its web site that summarize the information reported under subsection (2) of this section. At a minimum, the reports must display data by county and by month. The reports must also include the number of single bed certifications granted by category. The categories must include all of the reasons that the ~~((department))~~ authority recognizes for issuing a single bed certification, as identified in rule.

(5) The reports provided according to this section may not display "protected health information" as that term is used in the federal health insurance portability and accountability act of 1996, nor information contained in "mental health treatment records" as that term is used in chapter 70.02 RCW or elsewhere in state law, and must otherwise be compliant with state and federal privacy laws.

(6) For purposes of this section, the term "single bed certification" means a situation in which an adult on a seventy-two hour detention, fourteen-day commitment, ninety-day commitment, or one hundred eighty-day commitment is detained to a facility that is:

- (a) Not licensed or certified as an inpatient evaluation and treatment facility; or
- (b) A licensed or certified inpatient evaluation and treatment facility that is already at capacity.

Sec. 3034. RCW 71.05.755 and 2015 c 269 s 4 are each amended to read as follows:

(1) The ~~((department))~~ authority shall promptly share reports it receives under RCW 71.05.750 with the responsible regional support network or behavioral health organization. The regional support network or behavioral health organization receiving this notification must attempt to engage the person in appropriate services for which the person is eligible and report back within seven days to the ~~((department))~~ authority.

(2) The ~~((department))~~ authority shall track and analyze reports submitted under RCW 71.05.750. The ~~((department))~~ authority must initiate corrective action when appropriate to ensure that each regional support network or

behavioral health organization has implemented an adequate plan to provide evaluation and treatment services. Corrective actions may include remedies under RCW 71.24.330 and 43.20A.894 (as recodified by this act), including requiring expenditure of reserve funds. An adequate plan may include development of less restrictive alternatives to involuntary commitment such as crisis triage, crisis diversion, voluntary treatment, or prevention programs reasonably calculated to reduce demand for evaluation and treatment under this chapter.

Sec. 3035. RCW 71.05.760 and 2017 3rd sp.s. c 14 s 21 are each amended to read as follows:

(1)(a) By April 1, 2018, the ~~((department))~~ authority, by rule, must combine the functions of a designated mental health professional and designated chemical dependency specialist by establishing a designated crisis responder who is authorized to conduct investigations, detain persons up to seventy-two hours to the proper facility, and carry out the other functions identified in this chapter and chapter 71.34 RCW. The behavioral health organizations shall provide training to the designated crisis responders as required by the ~~((department))~~ authority.

(b)(i) To qualify as a designated crisis responder, a person must have received chemical dependency training as determined by the department and be a:

(A) Psychiatrist, psychologist, physician assistant working with a supervising psychiatrist, psychiatric advanced registered nurse practitioner, or social worker;

(B) Person who is licensed by the department as a mental health counselor or mental health counselor associate, or marriage and family therapist or marriage and family therapist associate;

(C) 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;

~~((C))~~ (D) Person who meets the waiver criteria of RCW 71.24.260, which waiver was granted before 1986;

~~((D))~~ (E) Person who had an approved waiver to perform the duties of a mental health professional that was requested by the regional support network and granted by the department of social and health services before July 1, 2001; or

~~((E))~~ (F) Person who has been granted an exception of the minimum requirements of a mental health professional by the department consistent with rules adopted by the secretary.

(ii) Training must include chemical dependency training specific to the duties of a designated crisis responder, including diagnosis of substance abuse and dependence and assessment of risk associated with substance use.

(c) The ~~((department))~~ authority must develop a transition process for any person who has been designated as a designated mental health professional or a designated chemical dependency specialist before April 1, 2018, to be converted to a designated crisis responder. The behavioral health organizations shall provide training, as required by the ~~((department))~~ authority, to persons converting to designated crisis responders, which must include both mental

health and chemical dependency training applicable to the designated crisis responder role.

(2)(a) The ~~((department))~~ authority must ensure that at least one sixteen-bed secure detoxification facility is operational by April 1, 2018, and that at least two sixteen-bed secure detoxification facilities are operational by April 1, 2019.

(b) If, at any time during the implementation of secure detoxification facility capacity, federal funding becomes unavailable for federal match for services provided in secure detoxification facilities, then the ~~((department))~~ authority must cease any expansion of secure detoxification facilities until further direction is provided by the legislature.

Sec. 3036. RCW 71.05.801 and 2009 c 323 s 3 are each amended to read as follows:

When appropriate and subject to available funds, the treatment and training of a person with a developmental disability who is committed to the custody of the department of social and health services or to a facility licensed or certified for ninety day treatment by the department for a further period of intensive treatment under RCW 71.05.320 must be provided in a program specifically reserved for the treatment and training of persons with developmental disabilities. A person so committed shall receive habilitation services pursuant to an individualized service plan specifically developed to treat the behavior which was the subject of the criminal proceedings. The treatment program shall be administered by developmental disabilities professionals and others trained specifically in the needs of persons with developmental disabilities. The department of social and health services may limit admissions to this specialized program in order to ensure that expenditures for services do not exceed amounts appropriated by the legislature and allocated by the department of social and health services for such services. The department of social and health services may establish admission priorities in the event that the number of eligible persons exceeds the limits set by the department of social and health services.

Sec. 3037. RCW 71.05.940 and 1999 c 13 s 13 are each amended to read as follows:

The provisions of chapter 420, Laws of 1989 shall apply equally to persons in the custody of the department of social and health services on May 13, 1989, who were found by a court to be not guilty by reason of insanity or incompetent to stand trial, or who have been found to have committed acts constituting a felony pursuant to RCW 71.05.280(3) and present a substantial likelihood of repeating similar acts, and the secretary of the department of social and health services shall cause such persons to be evaluated to ascertain if such persons ~~((are developmentally disabled))~~ have a developmental disability for placement in a program specifically reserved for the treatment and training of persons with developmental disabilities.

PART 4

Sec. 4001. RCW 71.24.015 and 2014 c 225 s 6 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 with mental illness and children 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 [older adults]))~~ older adults, 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 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 individuals with mental illness consistent with the priorities defined in the statute;

(6) Coordination of services within the department of social and health services, including those divisions within the department of social and health services that provide services to children, between the authority, department of social and health services, and the office of the superintendent of public instruction, and among state mental hospitals, county authorities, behavioral health organizations, community mental health services, and other support services, which shall to the maximum extent feasible also include the families of 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 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 RCW 43.20A.893 (as recodified by 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 chapter((§)) 71.05 (~~and 71.24~~) RCW and this chapter 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 persons with mental illness and collaboration between families and service providers.

Sec. 4002. RCW 71.24.025 and 2016 sp.s. c 29 s 502 are each reenacted and 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) "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) "Approved substance use disorder treatment program" means a program for persons with a substance use disorder provided by a treatment program licensed or certified by the department (~~(of social and health services)~~) as meeting standards adopted under this chapter.

(4) "Authority" means the Washington state health care authority.

(5) "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.

~~((5))~~ (6) "Behavioral health organization" means any county authority or group of county authorities or other entity recognized by the ~~((secretary))~~ director in contract in a defined region.

~~((6))~~ (7) "Behavioral health program" means all expenditures, services, activities, or programs, including reasonable administration and overhead, designed and conducted to prevent or treat chemical dependency and mental illness.

~~((7))~~ (8) "Behavioral health services" means mental health services as described in this chapter and chapter 71.36 RCW and substance use disorder treatment services as described in this chapter.

~~((8))~~ (9) "Child" means a person under the age of eighteen years.

~~((9))~~ (10) "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))~~ authority by rule consistent with Public Law 92-603, as amended.

~~((10))~~ (11) "Clubhouse" means a community-based program that provides rehabilitation services and is licensed or certified by the department ~~((of social and health services))~~.

~~((11))~~ (12) "Community mental health service delivery system" means public, 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.

~~((12))~~ (13) "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 behavioral health organizations.

~~((13))~~ (14) "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.

~~((14))~~ (15) "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.

~~((15))~~ (16) "Department" means the department of ~~((social and))~~ health ~~((services))~~.

~~((16))~~ (17) "Designated crisis responder" means a mental health professional designated by the county or other authority authorized in rule to perform the duties specified in this chapter.

~~((17))~~ (18) "Director" means the director of the authority.

(19) "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.

~~((18))~~ (20) "Early adopter" means a regional service area for which all of the county authorities have requested that the ~~((department and the health care))~~ authority ~~((jointly))~~ purchase medical and behavioral health services through a managed care health system as defined under RCW 71.24.380(6).

~~((19))~~ (21) "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 ~~((20))~~ (22) of this section.

~~((20))~~ (22) "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.

~~((21))~~ (23) "Licensed physician" means a person licensed to practice medicine or osteopathic medicine and surgery in the state of Washington.

~~((22))~~ (24) "Licensed or certified service provider" means an entity licensed or certified according to this chapter or chapter 71.05 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, 18.57A, 18.71, 18.71A, 18.83, or 18.79 RCW, as it applies to registered nurses and advanced registered nurse practitioners.

~~((23))~~ (25) "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.

~~((24))~~ (26) "Mental health services" means all services provided by behavioral health organizations and other services provided by the state for persons who are mentally ill.

~~((25))~~ (27) Mental health "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 of social and health services or the authority, by behavioral health organizations and their staffs, ~~((and))~~ or by treatment facilities. "Treatment records" do not include notes or records maintained for personal use by a person providing treatment services for the department of social and health services, behavioral health organizations, or a treatment facility if the notes or records are not available to others.

~~((26))~~ (28) "Mentally ill persons," "persons who are mentally ill," and "the mentally ill" mean persons and conditions defined in subsections (1), ~~((9), (34), and (35))~~ (10), (36), and (37) of this section.

~~((27))~~ (29) "Recovery" means the process in which people are able to live, work, learn, and participate fully in their communities.

~~((28))~~ (30) "Registration records" include all the records of the department of social and health services, the authority, behavioral health organizations, treatment facilities, and other persons providing services ~~((to))~~ for the department of social and health services, the authority, county departments, or facilities which identify persons who are receiving or who at any time have received services for mental illness.

~~((29))~~ (31) "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 ~~((20))~~ (22) of this section but does not meet the full criteria for evidence-based.

~~((30))~~ (32) "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 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, residential treatment facilities, 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.

~~((31))~~ (33) "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.

~~((32))~~ (34) "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 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 crisis responders, evaluation and treatment facilities, and others as determined by the behavioral health organization.

~~((33))~~ (35) "Secretary" means the secretary of ~~((social and health services))~~ the department of health.

~~((34))~~ (36) "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.

~~((35))~~ (37) "Severely emotionally disturbed child" or "child who is severely emotionally disturbed" means a child who has been determined by the 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.

~~((36))~~ (38) "State minimum standards" means minimum requirements established by rules adopted ~~((by the secretary))~~ and necessary to implement this chapter ~~((for))~~ by:

(a) The authority for:

(i) Delivery of mental health and substance use disorder services; and ~~((b)) licensed service providers for the provision of mental health services; (c) residential services; and (d))~~

(ii) Community support services and resource management services;

(b) The department of health for:

(i) Licensed or certified service providers for the provision of mental health and substance use disorder services; and

(ii) Residential services.

~~((37))~~ (39) "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.

~~((38))~~ (40) "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))~~ director insofar as these organizations do not have a financial relationship with any behavioral health organization that would present a conflict of interest.

Sec. 4003. RCW 71.24.030 and 2005 c 503 s 3 are each amended to read as follows:

The ~~((secretary))~~ director is authorized to make grants and/or purchase services from counties, combinations of counties, or other entities, to establish and operate community mental health programs.

Sec. 4004. RCW 71.24.035 and 2016 sp.s. c 29 s 503 are each amended to read as follows:

(1) The ~~((department))~~ authority is designated as the state behavioral health authority which includes recognition as the single state authority for substance use disorders and state mental health authority.

(2) The ~~((secretary))~~ director shall provide for public, client, tribal, and licensed or certified service provider participation in developing the state behavioral health program, developing contracts with behavioral health organizations, and any waiver request to the federal government under medicaid.

(3) The ~~((secretary))~~ director shall provide for participation in developing the state behavioral health program for children and other underserved

populations, by including representatives on any committee established to provide oversight to the state behavioral health program.

(4) The ((secretary)) director shall be designated as the behavioral health organization if the 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 behavioral health organization is designated.

(5) The ((secretary)) director shall:

(a) Develop a biennial state behavioral health program that incorporates regional biennial needs assessments and regional mental health service plans and state services for adults and children with mental disorders or substance use disorders or both;

(b) Assure that any behavioral health organization or county community behavioral health program provides 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)) authority;

(c) Develop and adopt rules establishing state minimum standards for the delivery of behavioral health services pursuant to RCW 71.24.037 including, but not limited to:

(i) Licensed or certified service providers. These rules shall permit a county-operated behavioral 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) Inpatient services, an adequate network of evaluation and treatment services and facilities under chapter 71.05 RCW to ensure access to treatment, 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 which shall be used in contracting with 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) 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 behavioral health services;

(g) 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 behavioral health organizations and licensed or certified service providers. The audit procedure shall focus on the outcomes of service as provided in RCW 43.20A.895, 70.320.020, and 71.36.025;

(h) Develop and maintain an information system to be used by the state and behavioral health organizations that includes a tracking method which allows the

~~((department))~~ authority and behavioral health organizations to identify behavioral health clients' participation in any behavioral 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;

~~(i) ((License service providers who meet state minimum standards;~~

~~(j))~~ Periodically monitor the compliance of behavioral health organizations and their network of licensed or certified service providers for compliance with the contract between the ~~((department))~~ authority, the behavioral health organization, and federal and state rules at reasonable times and in a reasonable manner;

~~((k) Fix fees to be paid by evaluation and treatment centers to the secretary for the required inspections;~~

~~(l))~~ ~~(j)~~ Monitor and audit behavioral health organizations ~~((and licensed service providers))~~ as needed to assure compliance with contractual agreements authorized by this chapter;

~~((m))~~ ~~(k)~~ Adopt such rules as are necessary to implement the ~~((department's))~~ authority's responsibilities under this chapter;

~~((n) License or certify crisis stabilization units that meet state minimum standards;~~

~~(o) License or certify clubhouses that meet state minimum standards;~~

~~(p) License or certify triage facilities that meet state minimum standards;))~~

and

~~((q))~~ ~~(l)~~ Administer or supervise the administration of the provisions relating to persons with substance use disorders and intoxicated persons of any state plan submitted for federal funding pursuant to federal health, welfare, or treatment legislation.

(6) The ~~((secretary))~~ director shall use available resources only for 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 behavioral health organization and licensed or certified service provider shall file with the secretary of the department of health or the director, on request, such data, statistics, schedules, and information as the secretary of the department of health or the director reasonably requires. A behavioral health organization or licensed or certified service provider which, without good cause, fails to furnish any data, statistics, schedules, or information as requested, or files fraudulent reports thereof, may be subject to the behavioral health organization contractual remedies in RCW 43.20A.894 (as recodified by 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 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))~~ (9) Upon petition by the secretary of the department of health or the director, 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 of the department of health or the director authorizing him or her to enter at reasonable times, and examine the records, books, and accounts of any behavioral health organization or service provider refusing to consent to inspection or examination by the authority.

~~((11))~~ (10) Notwithstanding the existence or pursuit of any other remedy, the secretary of the department of health or the director 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 behavioral health organization or service provider without a contract, certification, or a license under this chapter.

~~((12))~~ (11) The ~~((department))~~ authority shall distribute appropriated state and federal funds in accordance with any priorities, terms, or conditions specified in the appropriations act.

~~((13))~~ (12) The ~~((secretary))~~ director shall assume all duties assigned to the nonparticipating 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 behavioral health organizations.

The behavioral health organizations, or the ~~((secretary's))~~ director'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 behavioral 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.

~~((14))~~ (13) The ~~((secretary))~~ director shall:

(a) Disburse funds for the behavioral health organizations within sixty days of approval of the biennial contract. The ~~((department))~~ authority must either approve or reject the biennial contract within sixty days of receipt.

(b) Enter into biennial contracts with 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 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 behavioral health organizations based solely upon formal findings of noncompliance with the terms of the behavioral health organization's contract with the ~~((department))~~ authority. Behavioral health organizations disputing the decision of the ~~((secretary))~~ director to withhold funding allocations are limited to the remedies

provided in the (~~(department's)~~) authority's contracts with the behavioral health organizations.

~~((15))~~ (14) The (~~(department)~~) authority, 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 licensed under chapter 71.12 RCW or certified under chapter 71.05 RCW. The (~~(department)~~) authority shall periodically report its efforts to the appropriate committees of the senate and the house of representatives.

~~((16))~~ (15) The (~~(department)~~) authority may:

(a) Plan, establish, and maintain substance use disorder prevention and substance use disorder treatment programs as necessary or desirable;

(b) Coordinate its activities and cooperate with behavioral 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 behavioral health services and for the common advancement of substance use disorder programs;

(c) 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;

(d) Keep records and engage in research and the gathering of relevant statistics; and

(e) Acquire, hold, or dispose of real property or any interest therein, and construct, lease, or otherwise provide substance use disorder treatment programs.

Sec. 4005. RCW 71.24.037 and 2017 c 330 s 2 are each amended to read as follows:

(1) The secretary shall by rule establish state minimum standards for licensed or certified behavioral health service providers and services, whether those service providers and services are licensed or certified to provide solely mental health services, substance use disorder treatment services, or services to persons with co-occurring disorders.

(2) Minimum standards for licensed or certified behavioral health service providers shall, at a minimum, establish: Qualifications for staff providing services directly to persons with mental disorders, substance use disorders, or both, the intended result of each service, and the rights and responsibilities of persons receiving behavioral health services pursuant to this chapter. The secretary shall provide for deeming of licensed or certified behavioral health service providers as meeting state minimum standards as a result of accreditation by a recognized behavioral health accrediting body recognized and having a current agreement with the department.

(3) Minimum standards for community support services and resource management services shall include at least qualifications for resource management services, client tracking systems, and the transfer of patient information between behavioral health service providers.

(4) The department may suspend, revoke, limit, restrict, or modify an approval, or refuse to grant approval, for failure to meet the provisions of this chapter, or the standards adopted under this chapter. RCW ~~((43.20A.205))~~

43.70.115 governs notice of a license or certification denial, revocation, suspension, or modification and provides the right to an adjudicative proceeding.

(5) No licensed or certified behavioral health service provider may advertise or represent itself as a licensed or certified behavioral health service provider if approval has not been granted, has been denied, suspended, revoked, or canceled.

(6) Licensure or certification as a behavioral health service provider is effective for one calendar year from the date of issuance of the license or certification. The license or certification must specify the types of services provided by the behavioral health service provider that meet the standards adopted under this chapter. Renewal of a license or certification must be made in accordance with this section for initial approval and in accordance with the standards set forth in rules adopted by the secretary.

(7) Licensure or certification as a licensed or certified behavioral health service provider must specify the types of services provided that meet the standards adopted under this chapter. Renewal of a license or certification must be made in accordance with this section for initial approval and in accordance with the standards set forth in rules adopted by the secretary.

(8) Licensed or certified behavioral health service providers may not provide types of services for which the licensed or certified behavioral health service provider has not been certified. Licensed or certified behavioral health service providers may provide services for which approval has been sought and is pending, if approval for the services has not been previously revoked or denied.

(9) The department periodically shall inspect licensed or certified behavioral health service providers at reasonable times and in a reasonable manner.

(10) Upon petition of the department and after a hearing held upon reasonable notice to the facility, the superior court may issue a warrant to an officer or employee of the department authorizing him or her to enter and inspect at reasonable times, and examine the books and accounts of, any licensed or certified behavioral health service provider refusing to consent to inspection or examination by the department or which the department has reasonable cause to believe is operating in violation of this chapter.

(11) The department shall maintain and periodically publish a current list of licensed or certified behavioral health service providers.

(12) Each licensed or certified behavioral health service provider shall file with the department or the authority upon request, data, statistics, schedules, and information the department or the authority reasonably requires. A licensed or certified behavioral health service provider that without good cause fails to furnish any data, statistics, schedules, or information as requested, or files fraudulent returns thereof, may have its license or certification revoked or suspended.

(13) The ((department)) authority shall use the data provided in subsection (12) of this section to evaluate each program that admits children to inpatient substance use disorder treatment upon application of their parents. The evaluation must be done at least once every twelve months. In addition, the ((department)) authority shall randomly select and review the information on individual children who are admitted on application of the child's parent for the

purpose of determining whether the child was appropriately placed into substance use disorder treatment based on an objective evaluation of the child's condition and the outcome of the child's treatment.

(14) Any settlement agreement entered into between the department and licensed or certified behavioral health service providers to resolve administrative complaints, license or certification violations, license or certification suspensions, or license or certification revocations may not reduce the number of violations reported by the department unless the department concludes, based on evidence gathered by inspectors, that the licensed or certified behavioral health service provider did not commit one or more of the violations.

(15) In cases in which a behavioral health service provider that is in violation of licensing or certification standards attempts to transfer or sell the behavioral health service provider to a family member, the transfer or sale may only be made for the purpose of remedying license or certification violations and achieving full compliance with the terms of the license or certification. Transfers or sales to family members are prohibited in cases in which the purpose of the transfer or sale is to avoid liability or reset the number of license or certification violations found before the transfer or sale. If the department finds that the owner intends to transfer or sell, or has completed the transfer or sale of, ownership of the behavioral health service provider to a family member solely for the purpose of resetting the number of violations found before the transfer or sale, the department may not renew the behavioral health service provider's license or certification or issue a new license or certification to the behavioral health service provider.

Sec. 4006. RCW 71.24.045 and 2016 sp.s. c 29 s 421 are each amended to read as follows:

The behavioral health organization shall:

(1) Contract as needed with licensed or certified service providers. The behavioral health organization may, in the absence of a licensed or certified service provider entity, become a licensed or certified service provider entity pursuant to minimum standards required for licensing or certification by the department for the purpose of providing services not available from licensed or certified service providers;

(2) Operate as a licensed or certified service provider if it deems that doing so is more efficient and cost effective than contracting for services. When doing so, the behavioral health organization shall comply with rules (~~(promulgated)~~) adopted by the (~~(secretary)~~) director that shall provide measurements to determine when a behavioral health organization provided service is more efficient and cost effective;

(3) Monitor and perform biennial fiscal audits of licensed or certified service providers who have contracted with the 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 or certified 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))~~ authority'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))~~ authority to expedite the enrollment or reenrollment of eligible persons leaving state or local correctional facilities and institutions for mental diseases;

(9) Work closely with the 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. 4007. RCW 71.24.061 and 2014 c 225 s 35 are each amended to read as follows:

(1) The ~~((department))~~ authority shall provide flexibility in provider contracting to behavioral health organizations for children's mental health services. ~~((Beginning with 2007-2009 biennium contracts,))~~ Behavioral health organization contracts shall authorize behavioral health organizations to allow and encourage licensed or certified 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)) authority 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)) authority 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. 4008. RCW 71.24.100 and 2014 c 225 s 14 are each amended to read as follows:

A county authority or a group of county authorities may enter into a joint operating agreement to respond to a request for a detailed plan and contract with the state to operate a behavioral health organization whose boundaries are consistent with the regional service areas established under RCW 43.20A.893 (as recodified by this act). Any agreement between two or more county authorities 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. 4009. RCW 71.24.155 and 2014 c 225 s 36 are each amended to read as follows:

Grants shall be made by the ((department)) authority to behavioral health organizations for community mental health programs totaling not less than ninety-five percent of available resources. The ((department)) authority 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. 4010. RCW 71.24.160 and 2014 c 225 s 37 are each amended to read as follows:

The behavioral health organizations shall make satisfactory showing to the ~~((secretary))~~ director 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. 4011. RCW 71.24.215 and 1982 c 204 s 11 are each amended to read as follows:

Clients receiving mental health services funded by available resources shall be charged a fee under sliding-scale fee schedules, based on ability to pay, approved by the ~~((department))~~ authority or the department of social and health services, as appropriate. Fees shall not exceed the actual cost of care.

Sec. 4012. RCW 71.24.220 and 1999 c 10 s 8 are each amended to read as follows:

The ~~((secretary))~~ director may withhold state grants in whole or in part for any community mental health program in the event of a failure to comply with this chapter or the related rules adopted by the ~~((department))~~ authority.

Sec. 4013. RCW 71.24.240 and 2014 c 225 s 49 are each amended to read as follows:

In order to establish eligibility for funding under this chapter, any 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))~~ director for prior review and approval before such plans are submitted to any federal agency.

Sec. 4014. RCW 71.24.300 and 2016 sp.s. c 29 s 522 are each amended to read as follows:

(1) Upon the request of a tribal authority or authorities within a 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 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 behavioral health authority may not determine the roles and responsibilities of county authorities as to each other under behavioral health organizations by rule, except to assure that all duties required of behavioral health organizations are assigned and that counties and the behavioral health organization do not duplicate functions and that a single authority has final

responsibility for all available resources and performance under the behavioral health organization's contract with the (~~secretary~~) director.

(4) If a behavioral health organization is a private entity, the (~~department~~) authority shall allow for the inclusion of the tribal authority to be represented as a party to the behavioral health organization.

(5) The roles and responsibilities of the private entity and the tribal authorities shall be determined by the (~~department~~) authority, through negotiation with the tribal authority.

(6) 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 an adequate network of evaluation and treatment services to ensure access to treatment, 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 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. Behavioral health organizations may contract to purchase evaluation and treatment services from other 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~~) director 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 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~~) director.

(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 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 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 behavioral health organization be made available to support the operations of the behavioral health organization. State agencies managing such capital assets shall give first priority to requests for their use pursuant to this chapter.

(8) Each behavioral health organization shall appoint a behavioral 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 behavioral health organization, and work with the behavioral health

organization to resolve significant concerns regarding service delivery and outcomes. The ~~((department))~~ authority shall establish statewide procedures for the operation of regional advisory committees including mechanisms for advisory board feedback to the ~~((department))~~ authority regarding 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 of substance use disorder and mental health services and their families, law enforcement, and, where the county is not the behavioral health organization, county elected officials. Composition and length of terms of board members may differ between behavioral health organizations but shall be included in each behavioral health organization's contract and approved by the ~~((secretary))~~ director.

(9) Behavioral health organizations shall assume all duties specified in their plans and joint operating agreements through biennial contractual agreements with the ~~((secretary))~~ director.

(10) 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 behavioral health organization six-year operating and capital plan, timeline, and budget required by subsection (6) of this section.

Sec. 4015. RCW 71.24.310 and 2017 c 222 s 1 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 behavioral health organization defined in RCW 71.24.025. For this reason, the legislature intends that the ~~((department))~~ authority and the behavioral health organizations shall work together to implement chapter 71.05 RCW as follows:

(1) ~~((By June 1, 2006,))~~ Behavioral health organizations shall recommend to the ~~((department))~~ authority the number of state hospital beds that should be allocated for use by each 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 behavioral health organizations regarding the number of state hospital beds that should be allocated for use by each behavioral health organization, the ~~((department))~~ authority shall contract with each behavioral health organization accordingly.

(3) If there is not consensus among the behavioral health organizations regarding the number of beds that should be allocated for use by each behavioral health organization, the ~~((department))~~ authority shall establish by emergency rule the number of state hospital beds that are available for use by each 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 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))~~ authority is encouraged to enter performance-based contracts with behavioral health organizations to provide some or all of the 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 behavioral health organization in the state hospital.

(6) If a 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))~~ authority for that care. Reimbursements must be calculated using quarterly average census data to determine an average number of days used in excess of the bed allocation for the quarter. 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 behavioral health organization to reduce its utilization of the state hospital))~~. The ~~((department))~~ authority shall distribute the remaining half of such reimbursements among 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. 4016. RCW 71.24.320 and 2014 c 225 s 50 are each amended to read as follows:

(1) If an existing behavioral health organization chooses not to respond to a request for a detailed plan, or is unable to substantially meet the requirements of a request for a detailed plan, or notifies the ~~((department of social and health services))~~ authority it will no longer serve as a behavioral health organization, the ~~((department))~~ authority shall utilize a procurement process in which other entities recognized by the ~~((secretary))~~ director may bid to serve as the 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))~~ authority shall provide detailed briefings to all bidders in accordance with ~~((department))~~ authority 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 behavioral health organization that voluntarily terminates, refuses to renew, or refuses to sign a mandatory amendment to its contract to act as a behavioral health organization is prohibited from responding to a procurement under this section or serving as a behavioral health organization for five years from the date that the department of social and health services, or the authority, as applicable, signs a contract with the entity that will serve as the behavioral health organization.

Sec. 4017. RCW 71.24.330 and 2016 sp.s. c 29 s 422 are each amended to read as follows:

(1)(a) Contracts between a behavioral health organization and the ~~((department))~~ authority 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 reprourement of the contract.

(b) The ~~((department))~~ authority shall incorporate the criteria to measure the performance of service coordination organizations into contracts with behavioral health organizations as provided in chapter 70.320 RCW.

(2) The 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 behavioral health organization selected through the procurement process is not required to contract for services with any county-owned or operated facility. The 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 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))~~ authority adopted integrated screening and assessment process and matrix of best practices;

(d) Maintain the decision-making independence of designated crisis responders;

(e) Except at the discretion of the secretary of the department of social and health services in consultation with the director or as specified in the biennial budget, require 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;

(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 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 behavioral health organization they shall provide ninety days' advance notice in writing to the other party;

(h) Require behavioral health organizations to provide services as identified in RCW 71.05.585 to individuals committed for involuntary commitment under less restrictive alternative court orders when:

(i) The individual is enrolled in the medicaid program and meets behavioral health organization access to care standards; or

(ii) The individual is not enrolled in medicaid, does not have other insurance which can pay for the services, and the behavioral health organization has adequate available resources to provide the services; and

(i) Establish caseload guidelines for care coordinators who supervise less restrictive alternative orders and guidelines for response times during and immediately following periods of hospitalization or incarceration.

Sec. 4018. RCW 71.24.340 and 2014 c 225 s 16 are each amended to read as follows:

The ~~((secretary))~~ director shall require the behavioral health organizations to develop agreements with city and county jails to accept referrals for enrollment on behalf of a confined person, prior to the person's release.

Sec. 4019. RCW 71.24.350 and 2016 sp.s. c 29 s 523 are each amended to read as follows:

The ~~((department))~~ authority shall require each behavioral health organization to provide for a separately funded behavioral health ombuds office in each behavioral health organization that is independent of the behavioral health organization. The ombuds office shall maximize the use of consumer advocates.

Sec. 4020. RCW 71.24.360 and 2014 c 225 s 52 are each amended to read as follows:

(1) The ~~((department))~~ authority may establish new behavioral health organization boundaries in any part of the state:

(a) Where more than one organization chooses not to respond to, or is unable to substantially meet the requirements of, the request for a detailed plan under RCW 71.24.320;

(b) Where a behavioral health organization is subject to reprocurement under RCW 71.24.330; or

(c) Where two or more 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))~~ authority may establish no fewer than six and no more than fourteen behavioral health organizations under this chapter. No entity shall be responsible for more than three behavioral health organizations.

Sec. 4021. RCW 71.24.370 and 2014 c 225 s 42 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))~~ authority and the 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, behavioral health organizations, and entities which contract to provide behavioral health organization services and their subcontractors, agents, or employees.

Sec. 4022. RCW 71.24.380 and 2014 c 225 s 5 are each amended to read as follows:

(1) The ~~((secretary))~~ director 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))~~ director shall request a detailed plan from the entities identified in (b) of this subsection that demonstrates compliance with the contractual elements of RCW 43.20A.894 (as recodified by this act) and federal regulations related to medicaid managed care contracting~~(s)~~ 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))~~ authority'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))~~ authority shall use a procurement process in which other entities recognized by the ~~((secretary))~~ director 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. 4023. RCW 71.24.385 and 2016 sp.s. c 29 s 510 are each amended 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:

(a) With mental disorders residing within the boundaries of their regional service area. Elements of the program may include:

- (i) Crisis diversion services;
- (ii) Evaluation and treatment and community hospital beds;
- (iii) Residential treatment;
- (iv) Programs for intensive community treatment;
- (v) Outpatient services;
- (vi) Peer support services;
- (vii) Community support services;
- (viii) Resource management services; and
- (ix) Supported housing and supported employment services.

(b) With substance use disorders and their families, people incapacitated by alcohol or other psychoactive chemicals, and intoxicated people.

(i) Elements of the program shall include, but not necessarily be limited to, a continuum of substance use disorder treatment services that includes:

- (A) Withdrawal management;
- (B) Residential treatment; and
- (C) Outpatient treatment.

(ii) The program may include peer support, supported housing, supported employment, crisis diversion, or recovery support services.

(iii) The ~~((department))~~ authority may contract for the use of an approved substance use disorder treatment program or other individual or organization if the ~~((secretary))~~ director considers this to be an effective and economical course to follow.

(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 behavioral health 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.

(3)(a) Treatment provided under this chapter must be purchased primarily through managed care contracts.

(b) Consistent with RCW 71.24.580, services and funding provided through the criminal justice treatment account are intended to be exempted from managed care contracting.

Sec. 4024. RCW 71.24.400 and 2001 c 323 s 18 are each amended to read as follows:

The legislature finds that the current complex set of federal, state, and local rules and regulations, audited and administered at multiple levels, which affect the community mental health service delivery system, focus primarily on the process of providing mental health services and do not sufficiently address consumer and system outcomes. The legislature finds that the ~~((department))~~ authority and the community mental health service delivery system must make ongoing efforts to achieve the purposes set forth in RCW 71.24.015 related to reduced administrative layering, duplication, elimination of process measures not specifically required by the federal government for the receipt of federal funds, and reduced administrative costs.

Sec. 4025. RCW 71.24.405 and 2014 c 225 s 53 are each amended to read as follows:

The ~~((department))~~ authority shall establish a comprehensive and collaborative effort within 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))~~ authority 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 this chapter (~~(71.24 RCW)~~) must be used to measure the performance of mental health service providers and 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~~) authority and behavioral health organizations and mental health service providers that link financial incentives to the success or failure of mental health service providers and 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~~) authority in fully implementing the provisions of RCW 71.24.400 and this section.

Sec. 4026. RCW 71.24.415 and 1999 c 10 s 12 are each amended to read as follows:

To carry out the purposes specified in RCW 71.24.400, the (~~department~~) authority is encouraged to utilize its authority to eliminate any unnecessary rules, regulations, standards, or contracts, to immediately eliminate duplication of audits or any other unnecessarily duplicated functions, and to seek any waivers of federal or state rules or regulations necessary to achieve the purpose of streamlining the community mental health service delivery system and infusing it with incentives that reward efficiency, positive outcomes for clients, and quality services.

Sec. 4027. RCW 71.24.420 and 2014 c 225 s 17 are each amended to read as follows:

The (~~department~~) authority 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~~) authority 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~~) authority may expend funds defined in subsection (1) of this section in any manner that will effectively accomplish the outcome

measures established in RCW 43.20A.895 and 71.36.025 and performance measures linked to those outcomes.

(3) The ((department)) authority shall implement strategies that accomplish the outcome measures established in RCW 43.20A.895, 70.320.020, and 71.36.025 and performance measures linked to those outcomes.

(4) The ((department)) authority shall monitor expenditures against the appropriation levels provided for in subsection (1) of this section.

Sec. 4028. RCW 71.24.430 and 2014 c 225 s 54 are each amended to read as follows:

(1) The ((department)) authority shall ensure the coordination of allied services for mental health clients. The ((department)) authority shall implement strategies for resolving organizational, regulatory, and funding issues at all levels of the system, including the state, the behavioral health organizations, and local service providers.

(2) The ((department)) authority shall propose, in operating budget requests, transfers of funding among programs to support collaborative service delivery to persons who require services from multiple department of social and health services and authority programs. The ((department)) authority 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. 4029. RCW 71.24.455 and 2014 c 225 s 43 are each amended to read as follows:

(1) The ((secretary)) director shall select and contract with a behavioral health organization or private provider to provide specialized access and services to 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 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 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)) authority, a representative of the selected 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 behavioral health organization or private provider on the selection of eligible offenders, and set minimum requirements for service contracts. The selected 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 rehabilitative 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 offenders with mental illness shall be provided to all participating mental health providers by the ((department)) authority 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. 4030. RCW 71.24.460 and 1999 c 10 s 13 are each amended to read as follows:

The ((department)) authority, in collaboration with the department of corrections and the oversight committee created in RCW 71.24.455, shall track outcomes and submit to the legislature annual reports regarding services and outcomes. The reports shall include the following: (1) A statistical analysis regarding the reoffense and reinstitutionalization rate by the enrollees in the program set forth in RCW 71.24.455; (2) a quantitative description of the services provided in the program set forth in RCW 71.24.455; and (3) recommendations for any needed modifications in the services and funding levels to increase the effectiveness of the program set forth in RCW 71.24.455. By December 1, 2003, the department shall certify the reoffense rate for enrollees in the program authorized by RCW 71.24.455 to the office of financial management and the appropriate legislative committees. If the reoffense rate exceeds fifteen percent, the authorization for the department to conduct the program under RCW 71.24.455 is terminated on January 1, 2004.

Sec. 4031. RCW 71.24.470 and 2014 c 225 s 44 are each amended to read as follows:

(1) The ((secretary)) director shall contract, to the extent that funds are appropriated for this purpose, for case management services and such other services as the ((secretary)) director 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 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 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. 4032. RCW 71.24.480 and 2014 c 225 s 45 are each amended to read as follows:

(1) A licensed or certified service provider or behavioral health organization, acting in the course of the provider's or 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 organization, unless the act or omission of the provider or 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 or certified service provider and 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 or certified service provider's or 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 or certified service provider's or 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 or certified service providers and 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. 4033. RCW 71.24.490 and 2015 c 269 s 11 are each amended to read as follows:

The (~~department~~) authority must collaborate with regional support networks or behavioral health organizations and the Washington state institute for public policy to estimate the capacity needs for evaluation and treatment services within each regional service area. Estimated capacity needs shall include consideration of the average occupancy rates needed to provide an adequate network of evaluation and treatment services to ensure access to treatment. A regional service network or behavioral health organization must develop and maintain an adequate plan to provide for evaluation and treatment needs.

Sec. 4034. RCW 71.24.500 and 2016 c 154 s 3 are each amended to read as follows:

The department of social and health services and the (~~Washington state health care~~) authority shall publish written guidance and provide trainings to behavioral health organizations, managed care organizations, and behavioral health providers related to how these organizations may provide outreach,

assistance, transition planning, and rehabilitation case management reimbursable under federal law to persons who are incarcerated, involuntarily hospitalized, or in the process of transitioning out of one of these services. The guidance and trainings may also highlight preventive activities not reimbursable under federal law which may be cost-effective in a managed care environment. The purpose of this written guidance and trainings is to champion best clinical practices including, where appropriate, use of care coordination and long-acting injectable psychotropic medication, and to assist the health community to leverage federal funds and standardize payment and reporting procedures. The authority and the department of social and health services shall construe governing laws liberally to effectuate the broad remedial purposes of chapter 154, Laws of 2016, and provide a status update to the legislature by December 31, 2016.

Sec. 4035. RCW 71.24.515 and 2016 sp.s. c 29 s 514 are each amended to read as follows:

(1) The department of social and health services shall contract for chemical dependency specialist services at division of children and family services offices to enhance the timeliness and quality of child protective services assessments and to better connect families to needed treatment services.

(2) The chemical dependency specialist's duties may include, but are not limited to: Conducting on-site substance use disorder screening and assessment, facilitating progress reports to department of social and health services employees, in-service training of department of social and health services employees and staff on substance use disorder issues, referring clients from the department of social and health services to treatment providers, and providing consultation on cases to department of social and health services employees.

(3) The department of social and health services shall provide training in and ensure that each case-carrying employee is trained in uniform screening for mental health and substance use disorder.

Sec. 4036. RCW 71.24.520 and 2014 c 225 s 22 are each amended to read as follows:

The (~~department~~) authority, 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 persons with substance use disorders, persons incapacitated by alcohol or other psychoactive chemicals, or intoxicated persons;

(3) Enter into agreements for monitoring or 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 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 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. 4037. RCW 71.24.525 and 1989 c 270 s 7 are each amended to read as follows:

Pursuant to the Interlocal Cooperation Act, chapter 39.34 RCW, the ((department)) authority may enter into agreements to accomplish the purposes of this chapter.

Sec. 4038. RCW 71.24.530 and 2016 sp.s. c 29 s 515 are each amended to read as follows:

Except as provided in this chapter, the ((secretary)) director shall not approve any substance use disorder facility, plan, or program for financial assistance under RCW 71.24.520 unless at least ten percent of the amount spent for the facility, plan, or program is provided from local public or private sources. When deemed necessary to maintain public standards of care in the substance use disorder facility, plan, or program, the ((secretary)) director may require the substance use disorder facility, plan, or program to provide up to fifty percent of the total spent for the program through fees, gifts, contributions, or volunteer services. The ((secretary)) director shall determine the value of the gifts, contributions, and volunteer services.

Sec. 4039. RCW 71.24.535 and 2016 sp.s. c 29 s 504 are each amended to read as follows:

The ((department)) authority shall:

(1) Develop, encourage, and foster statewide, regional, and local plans and programs for the prevention of alcoholism and other drug addiction, treatment of 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 substance use disorder services consistent with the state's medicaid plan or federal waiver authorities, and nonmedicaid services consistent with priorities established by the ((department)) authority;

(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 persons with substance use disorders and their families, persons incapacitated by alcohol or other psychoactive chemicals, and intoxicated persons;

(4) Cooperate with public and private agencies in establishing and conducting programs to provide treatment for 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;

(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 substance use disorders, treatment of 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;

(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;

(7) Develop and implement, as an integral part of substance use disorder treatment programs, an educational program for use in the treatment of 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;

(8) Organize and foster training programs for persons engaged in treatment of persons with substance use disorders, persons incapacitated by alcohol or other psychoactive chemicals, and intoxicated persons;

(9) Sponsor and encourage research into the causes and nature of substance use disorders, treatment of 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 substance use disorders;

(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;

(11) Advise the governor in the preparation of a comprehensive plan for treatment of 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;

(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 substance use disorders;

(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;

(14) Use the support and assistance of interested persons in the community to encourage persons with substance use disorders voluntarily to undergo treatment;

(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;

(16) Encourage general hospitals and other appropriate health facilities to admit without discrimination 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;

(17) Encourage all health and disability insurance programs to include substance use disorders as a covered illness; and

(18) Organize and sponsor a statewide program to help court personnel, including judges, better understand substance use disorders and the uses of substance use disorder treatment programs.

Sec. 4040. RCW 71.24.540 and 2016 sp.s. c 29 s 516 are each amended to read as follows:

The (~~(department)~~) authority shall contract with counties operating drug courts and counties in the process of implementing new drug courts for the provision of substance use disorder treatment services.

Sec. 4041. RCW 71.24.545 and 2014 c 225 s 25 are each amended to read as follows:

(1) (~~(In coordination with the health care)~~) The authority(~~(, the department)~~) shall establish by appropriate means(~~(;)~~) a comprehensive and coordinated program for the treatment of 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:

- (i) Withdrawal management;
- (ii) Residential treatment; and
- (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)~~) authority may contract for the use of an approved treatment program or other individual or organization if the (~~(secretary)~~) director 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))~~ 71.24.580, services and funding provided through the criminal justice treatment account are intended to be exempted from managed care contracting.

Sec. 4042. RCW 71.24.555 and 2016 sp.s. c 29 s 517 are each amended to read as follows:

To be eligible to receive its share of liquor taxes and profits, each city and county shall devote no less than two percent of its share of liquor taxes and profits to the support of a substance use disorder program approved by the behavioral health organization and the ~~((secretary))~~ director, and licensed or certified by the department of health.

Sec. 4043. RCW 71.24.565 and 2014 c 225 s 27 are each amended to read as follows:

The ~~((secretary))~~ director 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 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. 4044. RCW 71.24.580 and 2017 3rd sp.s. c 1 s 981 are each amended to read as follows:

(1) The criminal justice treatment account is created in the state treasury. Moneys in the account may be expended solely for: (a) Substance use disorder treatment and treatment support services for offenders with a substance use disorder that, if not treated, would result in addiction, against whom charges are filed by a prosecuting attorney in Washington state; (b) the provision of substance use disorder treatment services and treatment support services for nonviolent offenders within a drug court program; and (c) the administrative and overhead costs associated with the operation of a drug court. ~~((During the 2015-2017 fiscal biennium, the legislature may transfer from the criminal justice treatment account to the state general fund amounts as reflect the state savings associated with the implementation of the medicaid expansion of the federal affordable care act and the excess fund balance of the account.))~~ During the 2017-2019 fiscal biennium, the legislature may direct the state treasurer to make transfers of moneys in the criminal justice treatment account to the state general

fund. It is the intent of the legislature to continue, in future biennia, the policy of transferring to the state general fund such amounts as reflect the excess fund balance of the account. Moneys in the account may be spent only after appropriation.

(2) For purposes of this section:

(a) "Treatment" means services that are critical to a participant's successful completion of his or her substance use disorder treatment program, but does not include the following services: Housing other than that provided as part of an inpatient substance use disorder treatment program, vocational training, and mental health counseling; and

(b) "Treatment support" means transportation to or from inpatient or outpatient treatment services when no viable alternative exists, and child care services that are necessary to ensure a participant's ability to attend outpatient treatment sessions.

(3) Revenues to the criminal justice treatment account consist of: (a) Funds transferred to the account pursuant to this section; and (b) any other revenues appropriated to or deposited in the account.

(4)(a) For the fiscal year beginning July 1, 2006, and each subsequent fiscal year, the amount transferred shall be increased on an annual basis by the implicit price deflator as published by the federal bureau of labor statistics.

(b) In each odd-numbered year, the legislature shall appropriate the amount transferred to the criminal justice treatment account in (a) of this subsection to the department for the purposes of subsection (5) of this section.

(5) Moneys appropriated to the ~~((department))~~ authority from the criminal justice treatment account shall be distributed as specified in this subsection. The ~~((department))~~ authority may retain up to three percent of the amount appropriated under subsection (4)(b) of this section for its administrative costs.

(a) Seventy percent of amounts appropriated to the ~~((department))~~ authority from the account shall be distributed to counties pursuant to the distribution formula adopted under this section. The ~~((division of alcohol and substance abuse))~~ authority, in consultation with the department of corrections, the Washington state association of counties, the Washington state association of drug court professionals, the superior court judges' association, the Washington association of prosecuting attorneys, representatives of the criminal defense bar, representatives of substance use disorder treatment providers, and any other person deemed by the ~~((department))~~ authority to be necessary, shall establish a fair and reasonable methodology for distribution to counties of moneys in the criminal justice treatment account. County or regional plans submitted for the expenditure of formula funds must be approved by the panel established in (b) of this subsection.

(b) Thirty percent of the amounts appropriated to the ~~((department))~~ authority from the account shall be distributed as grants for purposes of treating offenders against whom charges are filed by a county prosecuting attorney. The ~~((department))~~ authority shall appoint a panel of representatives from the Washington association of prosecuting attorneys, the Washington association of sheriffs and police chiefs, the superior court judges' association, the Washington state association of counties, the Washington defender's association or the Washington association of criminal defense lawyers, the department of corrections, the Washington state association of drug court professionals, and

substance use disorder treatment providers(~~(, and the division)~~). The panel shall review county or regional plans for funding under (a) of this subsection and grants approved under this subsection. The panel shall attempt to ensure that treatment as funded by the grants is available to offenders statewide.

(6) The county alcohol and drug coordinator, county prosecutor, county sheriff, county superior court, a substance abuse treatment provider appointed by the county legislative authority, a member of the criminal defense bar appointed by the county legislative authority, and, in counties with a drug court, a representative of the drug court shall jointly submit a plan, approved by the county legislative authority or authorities, to the panel established in subsection (5)(b) of this section, for disposition of all the funds provided from the criminal justice treatment account within that county. The funds shall be used solely to provide approved alcohol and substance abuse treatment pursuant to RCW 71.24.560, treatment support services, and for the administrative and overhead costs associated with the operation of a drug court.

(a) No more than ten percent of the total moneys received under subsections (4) and (5) of this section by a county or group of counties participating in a regional agreement shall be spent on the administrative and overhead costs associated with the operation of a drug court.

(b) No more than ten percent of the total moneys received under subsections (4) and (5) of this section by a county or group of counties participating in a regional agreement shall be spent for treatment support services.

(7) Counties are encouraged to consider regional agreements and submit regional plans for the efficient delivery of treatment under this section.

(8) Moneys allocated under this section shall be used to supplement, not supplant, other federal, state, and local funds used for substance abuse treatment.

(9) Counties must meet the criteria established in RCW 2.30.030(3).

(10) The authority under this section to use funds from the criminal justice treatment account for the administrative and overhead costs associated with the operation of a drug court expires June 30, 2015.

Sec. 4045. RCW 71.24.590 and 2017 c 297 s 14 are each amended to read as follows:

(1) When making a decision on an application for licensing or certification of a program, the department shall:

(a) Consult with the county legislative authorities in the area in which an applicant proposes to locate a program and the city legislative authority in any city in which an applicant proposes to locate a program;

(b) License or certify only programs that will be sited in accordance with the appropriate county or city land use ordinances. Counties and cities may require conditional use permits with reasonable conditions for the siting of programs. Pursuant to RCW 36.70A.200, no local comprehensive plan or development regulation may preclude the siting of essential public facilities;

(c) Not discriminate in its licensing or certification decision on the basis of the corporate structure of the applicant;

(d) Consider the size of the population in need of treatment in the area in which the program would be located and license or certify only applicants whose programs meet the necessary treatment needs of that population;

(e) Consider the availability of other certified opioid treatment programs near the area in which the applicant proposes to locate the program;

(f) Consider the transportation systems that would provide service to the program and whether the systems will provide reasonable opportunities to access the program for persons in need of treatment;

(g) Consider whether the applicant has, or has demonstrated in the past, the capability to provide the appropriate services to assist the persons who utilize the program in meeting goals established by the legislature in RCW 71.24.585. The department shall prioritize licensing or certification to applicants who have demonstrated such capability and are able to measure their success in meeting such outcomes;

(h) Hold one public hearing in the community in which the facility is proposed to be located. The hearing shall be held at a time and location that are most likely to permit the largest number of interested persons to attend and present testimony. The department shall notify all appropriate media outlets of the time, date, and location of the hearing at least three weeks in advance of the hearing.

(2) A county may impose a maximum capacity for a program of not less than three hundred fifty participants if necessary to address specific local conditions cited by the county.

(3) A program applying for licensing or certification from the department and a program applying for a contract from a state agency that has been denied the licensing or certification or contract shall be provided with a written notice specifying the rationale and reasons for the denial.

(4) For the purpose of this chapter, opioid treatment program means:

(a) Dispensing a medication approved by the federal drug administration for the treatment of opioid use disorder and dispensing medication for the reversal of opioid overdose; and

(b) Providing a comprehensive range of medical and rehabilitative services.

Sec. 4046. RCW 71.24.595 and 2017 c 297 s 16 are each amended to read as follows:

(1) The department, in consultation with opioid treatment program service providers and counties and cities, shall establish statewide treatment standards for licensed or certified opioid treatment programs. The department shall enforce these treatment standards. The treatment standards shall include, but not be limited to, reasonable provisions for all appropriate and necessary medical procedures, counseling requirements, urinalysis, and other suitable tests as needed to ensure compliance with this chapter.

(2) The department, in consultation with opioid treatment programs and counties, shall establish statewide operating standards for certified opioid treatment programs. The department shall enforce these operating standards. The operating standards shall include, but not be limited to, reasonable provisions necessary to enable the department and counties to monitor certified ~~((and))~~ or licensed opioid treatment programs for compliance with this chapter and the treatment standards authorized by this chapter and to minimize the impact of the opioid treatment programs upon the business and residential neighborhoods in which the program is located.

(3) The department shall analyze and evaluate the data submitted by each treatment program and take corrective action where necessary to ensure compliance with the goals and standards enumerated under this chapter. Opioid

treatment programs are subject to the oversight required for other substance use disorder treatment programs, as described in this chapter.

Sec. 4047. RCW 71.24.600 and 1989 c 271 s 308 are each reenacted and amended to read as follows:

The ((department)) authority shall not refuse admission for diagnosis, evaluation, guidance or treatment to any applicant because it is determined that the applicant is financially unable to contribute fully or in part to the cost of any services or facilities available under the program on alcoholism.

The ((department)) authority may limit admissions of such applicants or modify its programs in order to ensure that expenditures for services or programs do not exceed amounts appropriated by the legislature and are allocated by the ((department)) authority for such services or programs. The ((department)) authority may establish admission priorities in the event that the number of eligible applicants exceeds the limits set by the ((department)) authority.

Sec. 4048. RCW 71.24.605 and 1998 c 245 s 136 are each amended to read as follows:

The ((department)) authority shall contract with the University of Washington fetal alcohol syndrome clinic to provide fetal alcohol exposure screening and assessment services. The University indirect charges shall not exceed ten percent of the total contract amount. The contract shall require the University of Washington fetal alcohol syndrome clinic to provide the following services:

(1) Training for health care staff in community-based fetal alcohol exposure clinics to ensure the accurate diagnosis of individuals with fetal alcohol exposure and the development and implementation of appropriate service referral plans;

(2) Development of written or visual educational materials for the individuals diagnosed with fetal alcohol exposure and their families or caregivers;

(3) Systematic information retrieval from each community clinic to (a) maintain diagnostic accuracy and reliability across all community clinics, (b) facilitate the development of effective and efficient screening tools for population-based identification of individuals with fetal alcohol exposure, (c) facilitate identification of the most clinically efficacious and cost-effective educational, social, vocational, and health service interventions for individuals with fetal alcohol exposure;

(4) Based on available funds, establishment of a network of community-based fetal alcohol exposure clinics across the state to meet the demand for fetal alcohol exposure diagnostic and referral services; and

(5) Preparation of an annual report for submission to the authority, the department of health, the department of social and health services, the department of corrections, and the office of the superintendent of public instruction which includes the information retrieved under subsection (3) of this section.

Sec. 4049. RCW 71.24.610 and 1995 c 54 s 3 are each amended to read as follows:

The authority, the department of social and health services, the department of health, the department of corrections, and the office of the superintendent of

public instruction shall execute an interagency agreement to ensure the coordination of identification, prevention, and intervention programs for children who have fetal alcohol exposure, and for women who are at high risk of having children with fetal alcohol exposure.

The interagency agreement shall provide a process for community advocacy groups to participate in the review and development of identification, prevention, and intervention programs administered or contracted for by the agencies executing this agreement.

Sec. 4050. RCW 71.24.615 and 2003 c 207 s 7 are each amended to read as follows:

The (~~department~~) authority shall prioritize expenditures for treatment provided under RCW 13.40.165. The (~~department~~) authority shall provide funds for inpatient and outpatient treatment providers that are the most successful, using the standards developed by the University of Washington under section 27, chapter 338, Laws of 1997. The (~~department~~) authority may consider variations between the nature of the programs provided and clients served but must provide funds first for those programs that demonstrate the greatest success in treatment within categories of treatment and the nature of the persons receiving treatment.

Sec. 4051. RCW 71.24.620 and 2016 sp.s. c 29 s 520 are each amended to read as follows:

(1) Subject to funds appropriated for this specific purpose, the (~~secretary~~) director shall select and contract with behavioral health organizations to provide intensive case management for persons with substance use disorders and histories of high utilization of crisis services at two sites. In selecting the two sites, the (~~secretary~~) director 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 substance use disorder diagnosis or dual primary substance use disorder and mental health diagnoses, through the employment of substance use disorder case managers. The substance use disorder case managers shall:

(a) Be trained in and use the integrated, comprehensive screening and assessment process adopted under RCW 71.24.630;

(b) Reduce the use of crisis medical, substance use disorder treatment and mental health services, including but not limited to(=) emergency room admissions, hospitalizations, 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 use 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. 4052. RCW 71.24.625 and 2016 sp.s. c 29 s 521 are each amended to read as follows:

The ~~((department))~~ authority shall ensure that the provisions of this chapter are applied by the behavioral health organizations in a consistent and uniform manner. The ~~((department))~~ authority shall also ensure that, to the extent possible within available funds, the behavioral health organization-designated chemical dependency specialists are specifically trained in adolescent chemical dependency issues, the chemical dependency commitment laws, and the criteria for commitment, as specified in this chapter and chapter 70.96A RCW.

Sec. 4053. RCW 71.24.630 and 2016 sp.s. c 29 s 513 are each amended to read as follows:

(1) The ~~((department of social and health services))~~ authority shall maintain an integrated and comprehensive screening and assessment process for substance use and mental disorders and co-occurring substance use 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)) authority 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 substance use disorder and mental health treatment providers as well as all designated mental health professionals, designated chemical dependency specialists, and designated crisis responders.

(2) The ((department)) authority 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)) authority shall establish contractual penalties to contracted treatment providers, the behavioral health organizations, and their contracted providers for failure to implement the integrated screening and assessment process.

Sec. 4054. RCW 71.24.640 and 2016 sp.s. c 29 s 507 are each amended to read as follows:

The secretary shall license or certify evaluation and treatment facilities that meet state minimum standards. The standards for certification or licensure of evaluation and treatment facilities by the department must 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 must otherwise assure the effectuation of the purposes of these chapters.

Sec. 4055. RCW 71.24.645 and 2016 sp.s. c 29 s 508 are each amended to read as follows:

The secretary shall license or certify crisis stabilization units that meet state minimum standards. The standards for certification or licensure of crisis stabilization units by the department must include standards that:

(1) Permit location of the units at a jail facility if the unit is physically separate from the general population of the jail;

(2) Require administration of the unit by mental health professionals who direct the stabilization and rehabilitation efforts; and

(3) Provide an environment affording security appropriate with the alleged criminal behavior and necessary to protect the public safety.

NEW SECTION. **Sec. 4056.** A new section is added to chapter 71.24 RCW to read as follows:

The secretary shall license or certify triage facilities that meet state minimum standards. The standards for certification or licensure of triage facilities by the department must include standards related to the ability to assess and stabilize an individual or determine the need for involuntary commitment of an individual.

Sec. 4057. RCW 71.24.650 and 2016 sp.s. c 29 s 509 are each amended to read as follows:

The secretary shall license or certify clubhouses that meet state minimum standards. The standards for certification or licensure of a clubhouse by the department must at a minimum include:

- (1) The facilities may be peer-operated and must be recovery-focused;
- (2) Members and employees must work together;
- (3) 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;
- (4) 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;
- (5) 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;
- (6) 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;
- (7) Clubhouse programs must focus on strengths, talents, and abilities of its members;
- (8) The work-ordered day may not include medication clinics, day treatment, or other therapy programs within the clubhouse.

Sec. 4058. RCW 71.24.805 and 2001 c 334 s 1 are each amended to read as follows:

The legislature affirms its support for those recommendations of the performance audit of the public mental health system conducted by the joint legislative audit and review committee relating to: Improving the coordination of services for clients with multiple needs; improving the consistency of client, service, and fiscal data collected by the ~~((mental health division))~~ authority; replacing process-oriented accountability activities with a uniform statewide outcome measurement system; and using outcome information to identify and provide incentives for best practices in the provision of public mental health services.

Sec. 4059. RCW 71.24.810 and 2001 c 334 s 2 are each amended to read as follows:

The legislature supports recommendations 1 through 10 and 12 through 14 of the mental health system performance audit conducted by the joint legislative audit and review committee. The legislature expects the ~~((department of social and health services))~~ authority to work diligently within available funds to implement these recommendations.

Sec. 4060. RCW 71.24.850 and 2014 c 225 s 8 are each amended to read as follows:

- (1) By December 1, 2018, the department of social and health services 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.

Sec. 4061. RCW 71.24.860 and 2016 sp.s. c 29 s 533 are each amended to read as follows:

(1) The department of social and health services and the (~~Washington state health care~~) authority shall convene a task force including participation by a representative cross-section of behavioral health organizations and behavioral health providers to align regulations between behavioral health and primary health care settings and simplify regulations for behavioral health providers. The alignment must support clinical integration from the standpoint of standardizing practices and culture in a manner that to the extent practicable reduces barriers to access, including reducing the paperwork burden for patients and providers. Brief integrated behavioral health services must not, in general, take longer to document than to provide. Regulations should emphasize the desired outcome rather than how they should be achieved. The task force may also make recommendations to the department of social and health services concerning subsections (2) and (3) of this section.

(2) The department of social and health services shall collaborate with the department of health, the Washington state health care authority, and other appropriate government partners to reduce unneeded costs and burdens to health plans and providers associated with excessive audits, the licensing process, and contracting. In pursuit of this goal, the department of social and health services shall consider steps such as cooperating across divisions and agencies to combine audit functions when multiple audits of an agency or site are scheduled, sharing audit information across divisions and agencies to reduce redundancy of audits, and treating organizations with multiple sites and programs as single entities instead of as multiple agencies.

(3) The department of social and health services shall review its practices under RCW 71.24.035(5)(c)(i) to determine whether its practices comply with the statutory mandate to deem accreditation by recognized behavioral health accrediting bodies as equivalent to meeting licensure requirements, comport with standard practices used by other state divisions or agencies, and properly incentivize voluntary accreditation to the highest industry standards.

(4) The task force described in subsection (1) of this section must consider means to provide notice to parents when a minor requests chemical dependency treatment, which are consistent with federal privacy laws and consistent with the best interests of the minor and the minor's family. The department of social and health services must provide a report to the relevant committees of the legislature by December 1, 2016.

NEW SECTION. Sec. 4062. A new section is added to chapter 71.24 RCW to read as follows:

(1) The authority shall, upon the request of a county authority or authorities within a regional service area, collaborate with counties to create an interlocal leadership structure that includes participation from counties and the managed

health care systems serving that regional service area. The interlocal leadership structure must include representation from physical and behavioral health care providers, tribes, and other entities serving the regional service area as necessary.

(2) The interlocal leadership structure regional organization must be chaired by the counties and jointly administered by the authority, managed health care systems, and counties. It must design and implement the fully integrated managed care model for that regional service area to assure clients are at the center of care delivery and support integrated delivery of physical and behavioral health care at the provider level.

(3) The interlocal leadership structure may address, but is not limited to addressing, the following topics:

(a) Alignment of contracting, administrative functions, and other processes to minimize administrative burden at the provider level to achieve outcomes;

(b) Monitoring implementation of fully integrated managed care in the regional service area, including design of an early warning system to monitor ongoing success to achieve better outcomes and to make adjustments to the system as necessary;

(c) Developing regional coordination processes for capital infrastructure requests, local capacity building, and other community investments;

(d) Identifying, using, and building on measures and data consistent with, but not limited to, RCW 70.320.030 and 41.05.690, for tracking and maintaining regional accountability for delivery system performance; and

(e) Discussing whether the managed health care systems awarded the contract by the authority for a regional service area should subcontract with a county-based administrative service organization or other local organization, which may include and determine, in partnership with that organization, which value-add services will best support a bidirectional system of care.

(4) To ensure an optimal transition, regional service areas that enter as mid-adopters must be allowed a transition period of up to one year during which the interlocal leadership structure develops and implements a local plan, including measurable milestones, to transition to fully integrated managed care. The transition plan may include provisions for the counties' organization to maintain existing contracts during some or all of the transition period if the managed care design begins during 2017 to 2018, with the mid-adopter transition year occurring in 2019.

(5) Nothing in this section may be used to compel contracts between a provider, integrated managed health care system, or administrative service organization.

(6) The interlocal leadership group expires December 1, 2021, unless the interlocal leadership group decides locally to extend it.

Sec. 4063. RCW 71.24.902 and 1986 c 274 s 7 are each amended to read as follows:

Nothing in this chapter shall be construed as prohibiting the secretary of the department of social and health services from consolidating (~~within the department~~) children's mental health services with other (~~departmental~~) services related to children.

PART 5

Sec. 5001. RCW 71.34.010 and 1998 c 296 s 7 are each amended to read as follows:

It is the purpose of this chapter to assure that minors in need of mental health care and treatment receive an appropriate continuum of culturally relevant care and treatment, including prevention and early intervention, self-directed care, parent-directed care, and involuntary treatment. To facilitate the continuum of care and treatment to minors in out-of-home placements, all divisions of the authority and the department that provide mental health services to minors shall jointly plan and deliver those services.

It is also the purpose of this chapter to protect the rights of minors against needless hospitalization and deprivations of liberty and to enable treatment decisions to be made in response to clinical needs in accordance with sound professional judgment. The mental health care and treatment providers shall encourage the use of voluntary services and, whenever clinically appropriate, the providers shall offer less restrictive alternatives to inpatient treatment. Additionally, all mental health care and treatment providers shall assure that minors' parents are given an opportunity to participate in the treatment decisions for their minor children. The mental health care and treatment providers shall, to the extent possible, offer services that involve minors' parents or family.

It is also the purpose of this chapter to assure the ability of parents to exercise reasonable, compassionate care and control of their minor children when there is a medical necessity for treatment and without the requirement of filing a petition under this chapter.

Sec. 5002. RCW 71.34.020 and 2016 sp.s. c 29 s 254 and 2016 c 155 s 17 are each reenacted and amended to read as follows:

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

(1) "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.

(2) "Approved substance use disorder treatment program" means a program for minors with substance use disorders provided by a treatment program licensed or certified by the department of health as meeting standards adopted under chapter 71.24 RCW.

(3) "Authority" means the Washington state health care authority.

(4) "Chemical dependency" means:

(a) Alcoholism;

(b) Drug addiction; or

(c) Dependence on alcohol and one or more other psychoactive chemicals, as the context requires.

~~((4))~~ (5) "Chemical dependency professional" means a person certified as a chemical dependency professional by the department of health under chapter 18.205 RCW.

~~((5))~~ (6) "Child psychiatrist" means a person having a license as a physician and surgeon in this state, who has had graduate training in child

psychiatry in a program approved by the American Medical Association or the American Osteopathic Association, and who is board eligible or board certified in child psychiatry.

~~((6))~~ (7) "Children's mental health specialist" means:

(a) A mental health professional who has completed a minimum of one hundred actual hours, not quarter or semester hours, of specialized training devoted to the study of child development and the treatment of children; and

(b) A mental health professional who has the equivalent of one year of full-time experience in the treatment of children under the supervision of a children's mental health specialist.

~~((7))~~ (8) "Commitment" means a determination by a judge or court commissioner, made after a commitment hearing, that the minor is in need of inpatient diagnosis, evaluation, or treatment or that the minor is in need of less restrictive alternative treatment.

~~((8))~~ (9) "Department" means the department of social and health services.

~~((9))~~ (10) "Designated crisis responder" means a person designated by a behavioral health organization to perform the duties specified in this chapter.

~~((10))~~ (11) "Director" means the director of the authority.

(12) "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))~~ (13) "Evaluation and treatment facility" means a public or private facility or unit that is licensed or certified by the department of health to provide emergency, inpatient, residential, or outpatient mental health evaluation and treatment services for minors. A physically separate and separately-operated portion of a state hospital may be designated as an evaluation and treatment facility for minors. A facility which is part of or operated by the ~~((department))~~ state or federal agency does not require licensure or certification. No correctional institution or facility, juvenile court detention facility, or jail may be an evaluation and treatment facility within the meaning of this chapter.

~~((12))~~ (14) "Evaluation and treatment program" means the total system of services and facilities coordinated and approved by a county or combination of counties for the evaluation and treatment of minors under this chapter.

~~((13))~~ (15) "Gravely disabled minor" means a minor who, as a result of a mental disorder, or as a result of the use of alcohol or other psychoactive chemicals, 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 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.

~~((14))~~ (16) "Inpatient treatment" means twenty-four-hour-per-day mental health care provided within a general hospital, psychiatric hospital, residential treatment facility licensed or certified by the department of health as an evaluation and treatment facility for minors, secure detoxification facility for minors, or approved substance use disorder treatment program for minors.

~~((15))~~ (17) "Intoxicated minor" means a minor whose mental or physical functioning is substantially impaired as a result of the use of alcohol or other psychoactive chemicals.

~~((16))~~ (18) "Less restrictive alternative" or "less restrictive setting" means outpatient treatment provided to a minor who is not residing in a facility providing inpatient treatment as defined in this chapter.

~~((17))~~ (19) "Likelihood of serious harm" means either: (a) A substantial risk that 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; (b) a substantial risk that physical harm will be inflicted by an individual 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 (c) a substantial risk that physical harm will be inflicted by an individual upon the property of others, as evidenced by behavior which has caused substantial loss or damage to the property of others.

~~((18))~~ (20) "Medical necessity" for inpatient care means a requested service which is reasonably calculated to: (a) Diagnose, correct, cure, or alleviate a mental disorder or substance use disorder; or (b) prevent the progression of a substance use disorder that endangers life or causes suffering and pain, or results in illness or infirmity or threatens to cause or aggravate a handicap, or causes physical deformity or malfunction, and there is no adequate less restrictive alternative available.

~~((19))~~ (21) "Mental disorder" means any organic, mental, or emotional impairment that has substantial adverse effects on an individual's cognitive or volitional functions. The presence of alcohol abuse, drug abuse, juvenile criminal history, antisocial behavior, or intellectual disabilities alone is insufficient to justify a finding of "mental disorder" within the meaning of this section.

~~((20))~~ (22) "Mental health professional" means a psychiatrist, psychiatric advanced registered nurse practitioner, physician assistant working with a supervising psychiatrist, psychologist, psychiatric nurse, or social worker, and such other mental health professionals as may be defined by rules adopted by the secretary of the department of health under this chapter.

~~((21))~~ (23) "Minor" means any person under the age of eighteen years.

~~((22))~~ (24) "Outpatient treatment" means any of the nonresidential services mandated under chapter 71.24 RCW and provided by licensed or certified service providers as identified by RCW 71.24.025.

~~((23))~~ (25) "Parent" means:

(a) A biological or adoptive parent who has legal custody of the child, including either parent if custody is shared under a joint custody agreement; or

(b) A person or agency judicially appointed as legal guardian or custodian of the child.

~~((24))~~ (26) "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 substance use disorder treatment program, that is conducted for, or includes a ~~((department))~~ distinct unit, floor, or ward conducted for, the care and treatment of persons with mental illness, substance use disorders, or both mental illness and substance use disorders.

~~((25))~~ (27) "Physician assistant" means a person licensed as a physician assistant under chapter 18.57A or 18.71A RCW.

~~((26))~~ (28) "Professional person in charge" or "professional person" means a physician, other mental health professional, or other person empowered by an evaluation and treatment facility, secure detoxification facility, or approved substance use disorder treatment program with authority to make admission and discharge decisions on behalf of that facility.

~~((27))~~ (29) "Psychiatric nurse" means a registered nurse who has ~~((a bachelor's degree from an accredited college or university, and who has had, in addition, at least two years'))~~ experience in the direct treatment of persons who have a mental illness or who are emotionally disturbed, such experience gained under the supervision of a mental health professional. ~~((("Psychiatric nurse" shall also mean any other registered nurse who has three years of such experience.))~~

~~((28))~~ (30) "Psychiatrist" means a person having a license as a physician in this state who has completed residency training in psychiatry in a program approved by the American Medical Association or the American Osteopathic Association, and is board eligible or board certified in psychiatry.

~~((29))~~ (31) "Psychologist" means a person licensed as a psychologist under chapter 18.83 RCW.

~~((30))~~ (32) "Public agency" means any evaluation and treatment facility or institution, or hospital, or approved substance use disorder treatment program that is conducted for, or includes a ~~((department))~~ distinct unit, floor, or ward conducted for, the care and treatment of persons with mental illness, substance use disorders, or both mental illness and substance use disorders if the agency is operated directly by federal, state, county, or municipal government, or a combination of such governments.

~~((31))~~ (33) "Responsible other" means the minor, the minor's parent or estate, or any other person legally responsible for support of the minor.

~~((32))~~ (34) "Secretary" means the secretary of the department or secretary's designee.

~~((33))~~ (35) "Secure detoxification facility" means a facility operated by either a public or private agency or by the program of an agency that:

(a) Provides for intoxicated minors:

(i) Evaluation and assessment, provided by certified chemical dependency professionals;

(ii) Acute or subacute detoxification services; and

(iii) Discharge assistance provided by certified chemical dependency professionals, including facilitating transitions to appropriate voluntary or involuntary inpatient services or to less restrictive alternatives as appropriate for the minor;

(b) Includes security measures sufficient to protect the patients, staff, and community; and

(c) Is licensed or certified as such by the department of health.

~~((34))~~ (36) "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.

~~((35))~~ (37) "Start of initial detention" means the time of arrival of the minor at the first evaluation and treatment facility, secure detoxification facility, or approved substance use disorder treatment program offering inpatient

treatment if the minor is being involuntarily detained at the time. With regard to voluntary patients, "start of initial detention" means the time at which the minor gives notice of intent to leave under the provisions of this chapter.

~~((36))~~ (38) "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. 5003. RCW 71.34.300 and 2011 c 343 s 7 are each amended to read as follows:

(1) The county or combination of counties is responsible for development and coordination of the evaluation and treatment program for minors, for incorporating the program into the ~~((county))~~ mental health plan, and for coordination of evaluation and treatment services and resources with the community mental health program required under chapter 71.24 RCW.

(2) The county shall be responsible for maintaining its support of involuntary treatment services for minors at its 1984 level, adjusted for inflation, with the ~~((department))~~ authority responsible for additional costs to the county resulting from this chapter. 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. 5004. RCW 71.34.365 and 1985 c 354 s 17 are each amended to read as follows:

(1) If a minor is not accepted for admission or is released by an inpatient evaluation and treatment facility, the facility shall release the minor to the custody of the minor's parent or other responsible person. If not otherwise available, the facility shall furnish transportation for the minor to the minor's residence or other appropriate place.

(2) If the minor is released to someone other than the minor's parent, the facility shall make every effort to notify the minor's parent of the release as soon as possible.

(3) No indigent minor may be released to less restrictive alternative treatment or setting or discharged from inpatient treatment without suitable clothing, and the ~~((department))~~ authority shall furnish this clothing. As funds are available, the ~~((secretary))~~ director may provide necessary funds for the immediate welfare of indigent minors upon discharge or release to less restrictive alternative treatment.

Sec. 5005. RCW 71.34.375 and 2016 sp.s. c 29 s 256 are each amended to read as follows:

(1) If a parent or guardian, for the purpose of mental health treatment, substance use disorder treatment, or evaluation, brings his or her minor child to an evaluation and treatment facility, a hospital emergency room, an inpatient facility licensed under chapter 72.23 RCW, an inpatient facility licensed under chapter 70.41 or 71.12 RCW operating inpatient psychiatric beds for minors, a secure detoxification facility, or an approved substance use disorder treatment program, the facility is required to promptly provide written and verbal notice of all statutorily available treatment options contained in this chapter. The notice

need not be given more than once if written and verbal notice has already been provided and documented by the facility.

(2) The provision of notice must be documented by the facilities required to give notice under subsection (1) of this section and must be accompanied by a signed acknowledgment of receipt by the parent or guardian. The notice must contain the following information:

(a) All current statutorily available treatment options including but not limited to those provided in this chapter; and

(b) The procedures to be followed to utilize the treatment options described in this chapter.

(3) The department of health shall produce, and make available, the written notification that must include, at a minimum, the information contained in subsection (2) of this section. The department of health must revise the written notification as necessary to reflect changes in the law.

Sec. 5006. RCW 71.34.380 and 1985 c 354 s 25 are each amended to read as follows:

(1) The department, department of health, and the authority shall adopt such rules pursuant to chapter 34.05 RCW as may be necessary to effectuate the intent and purposes of this chapter (~~(, which shall include but not be limited to evaluation of)~~).

(2) The authority shall evaluate the quality, effectiveness, efficiency, and use of services ((and facilities operating under this chapter)), procedures and standards for commitment, and ((other action relevant to)) establish criteria and procedures for placement and transfer of committed minors.

(3) The department of health shall regulate the evaluation and treatment facilities((, and establishment of criteria and procedures for placement and transfer of committed minors)) and programs.

(4) The department shall operate and maintain the child study and treatment center.

Sec. 5007. RCW 71.34.385 and 2016 sp.s. c 29 s 257 are each amended to read as follows:

The ~~((department))~~ authority shall ensure that the provisions of this chapter are applied by the counties in a consistent and uniform manner. The ~~((department))~~ authority shall also ensure that, to the extent possible within available funds, the designated crisis responders are specifically trained in adolescent mental health issues, the mental health and substance use disorder civil commitment laws, and the criteria for civil commitment.

Sec. 5008. RCW 71.34.390 and 1992 c 205 s 303 are each amended to read as follows:

For the purpose of encouraging the expansion of existing evaluation and treatment facilities and the creation of new facilities, the ~~((department))~~ authority shall endeavor to redirect federal Title XIX funds which are expended on out-of-state placements to fund placements within the state.

Sec. 5009. RCW 71.34.395 and 1998 c 296 s 21 are each amended to read as follows:

The ability of a parent to bring his or her minor child to a licensed or certified evaluation and treatment program for evaluation and treatment does not create a right to obtain or benefit from any funds or resources of the state. The

state may provide services for indigent minors to the extent that funds are available.

Sec. 5010. RCW 71.34.400 and 2016 sp.s. c 29 s 258 are each amended to read as follows:

For purposes of eligibility for medical assistance under chapter 74.09 RCW, minors in inpatient mental health or inpatient substance use disorder treatment shall be considered to be part of their parent's or legal guardian's household, unless the minor has been assessed by the ((department)) authority or its designee as likely to require such treatment for at least ninety consecutive days, or is in out-of-home care in accordance with chapter 13.34 RCW, or the parents are found to not be exercising responsibility for care and control of the minor. Payment for such care by the ((department)) authority shall be made only in accordance with rules, guidelines, and clinical criteria applicable to inpatient treatment of minors established by the ((department)) authority.

Sec. 5011. RCW 71.34.405 and 1985 c 354 s 13 are each amended to read as follows:

(1) A minor receiving treatment under the provisions of this chapter and responsible others shall be liable for the costs of treatment, care, and transportation to the extent of available resources and ability to pay.

(2) The secretary or director, as appropriate, shall establish rules to implement this section and to define income, resources, and exemptions to determine the responsible person's or persons' ability to pay.

Sec. 5012. RCW 71.34.420 and 2016 sp.s. c 29 s 260 are each amended to read as follows:

(1) The ((department)) authority may use a single bed certification process as outlined in rule to provide additional treatment capacity for a minor suffering from a mental disorder for whom an evaluation and treatment bed is not available. The facility that is the proposed site of the single bed certification must be a facility that is willing and able to provide the person with timely and appropriate treatment either directly or by arrangement with other public or private agencies.

(2) A single bed certification must be specific to the minor receiving treatment.

(3) A designated crisis responder who submits an application for a single bed certification for treatment at a facility that is willing and able to provide timely and appropriate mental health treatment in good faith belief that the single bed certification is appropriate may presume that the single bed certification will be approved for the purpose of completing the detention process and responding to other emergency calls.

(4) The ((department)) authority may adopt rules implementing this section and continue to enforce rules it has already adopted except where inconsistent with this section.

Sec. 5013. RCW 71.34.600 and 2016 sp.s. c 29 s 263 are each amended to read as follows:

(1) A parent may bring, or authorize the bringing of, his or her minor child to:

(a) An evaluation and treatment facility or an inpatient facility licensed under chapter 70.41, 71.12, or 72.23 RCW and request that the professional

person examine the minor to determine whether the minor has a mental disorder and is in need of inpatient treatment; or

(b) A secure detoxification facility or approved substance use disorder treatment program and request that a substance use disorder assessment be conducted by a professional person to determine whether the minor has a substance use disorder and is in need of inpatient treatment.

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

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

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

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

(6) Prior to the review conducted under RCW 71.34.610, the professional person shall notify the minor of his or her right to petition superior court for release from the facility.

(7) For the purposes of this section "professional person" means "professional person" as defined in RCW 71.05.020.

Sec. 5014. RCW 71.34.610 and 1998 c 296 s 9 are each amended to read as follows:

(1) The ~~((department))~~ authority shall assure that, for any minor admitted to inpatient treatment under RCW 71.34.600, a review is conducted by a physician or other mental health professional who is employed by the ~~((department))~~ authority, or an agency under contract with the ~~((department))~~ authority, and who neither has a financial interest in continued inpatient treatment of the minor nor is affiliated with the facility providing the treatment. The physician or other mental health professional shall conduct the review not less than seven nor more than fourteen days following the date the minor was brought to the facility under RCW 71.34.600 to determine whether it is a medical necessity to continue the minor's treatment on an inpatient basis.

(2) In making a determination under subsection (1) of this section, the ~~((department))~~ authority shall consider the opinion of the treatment provider, the safety of the minor, and the likelihood the minor's mental health will deteriorate

if released from inpatient treatment. The ((department)) authority shall consult with the parent in advance of making its determination.

(3) If, after any review conducted by the ((department)) authority under this section, the ((department)) authority determines it is no longer a medical necessity for a minor to receive inpatient treatment, the ((department)) authority shall immediately notify the parents and the facility. The facility shall release the minor to the parents within twenty-four hours of receiving notice. If the professional person in charge and the parent believe that it is a medical necessity for the minor to remain in inpatient treatment, the minor shall be released to the parent on the second judicial day following the ((department's)) authority's determination in order to allow the parent time to file an at-risk youth petition under chapter 13.32A RCW. If the ((department)) authority determines it is a medical necessity for the minor to receive outpatient treatment and the minor declines to obtain such treatment, such refusal shall be grounds for the parent to file an at-risk youth petition.

(4) If the evaluation conducted under RCW 71.34.600 is done by the ((department)) authority, the reviews required by subsection (1) of this section shall be done by contract with an independent agency.

(5) The ((department)) authority may, subject to available funds, contract with other governmental agencies to conduct the reviews under this section. The ((department)) authority may seek reimbursement from the parents, their insurance, or medicaid for the expense of any review conducted by an agency under contract.

(6) In addition to the review required under this section, the ((department)) authority may periodically determine and redetermine the medical necessity of treatment for purposes of payment with public funds.

Sec. 5015. RCW 71.34.630 and 2016 sp.s. c 29 s 264 are each amended to read as follows:

If the minor is not released as a result of the petition filed under RCW 71.34.620, he or she shall be released not later than thirty days following the later of: (1) The date of the ((department's)) authority's determination under RCW 71.34.610(2); or (2) the filing of a petition for judicial review under RCW 71.34.620, unless a professional person or the designated crisis responder initiates proceedings under this chapter.

Sec. 5016. RCW 71.34.640 and 1996 c 133 s 36 are each amended to read as follows:

The ((department)) authority shall randomly select and review the information on children who are admitted to inpatient treatment on application of the child's parent regardless of the source of payment, if any. The review shall determine whether the children reviewed were appropriately admitted into treatment based on an objective evaluation of the child's condition and the outcome of the child's treatment.

Sec. 5017. RCW 71.34.720 and 2016 sp.s. c 29 s 271 and 2016 c 155 s 19 are each reenacted and amended to read as follows:

(1) Each minor approved by the facility for inpatient admission shall be examined and evaluated by a children's mental health specialist, for minors admitted as a result of a mental disorder, or by a chemical dependency professional, for minors admitted as a result of a substance use disorder, as to the

child's mental condition and by a physician, physician assistant, or psychiatric advanced registered nurse practitioner as to the child's physical condition within twenty-four hours of admission. Reasonable measures shall be taken to ensure medical treatment is provided for any condition requiring immediate medical attention.

(2) If, after examination and evaluation, the children's mental health specialist or substance use disorder specialist and the physician, physician assistant, or psychiatric advanced registered nurse practitioner determine that the initial needs of the minor, if detained to an evaluation and treatment facility, would be better served by placement in a substance use disorder treatment ((facility)) program or, if detained to a secure detoxification facility or approved substance use disorder treatment program, would be better served in an evaluation and treatment facility, then the minor shall be referred to the more appropriate placement; however a minor may only be referred to a secure detoxification facility or approved substance use disorder treatment program if there is a secure detoxification facility or approved substance use disorder treatment program available and that has adequate space for the minor.

(3) The admitting facility shall take reasonable steps to notify immediately the minor's parent of the admission.

(4) During the initial seventy-two hour treatment period, the minor has a right to associate or receive communications from parents or others unless the professional person in charge determines that such communication would be seriously detrimental to the minor's condition or treatment and so indicates in the minor's clinical record, and notifies the minor's parents of this determination. In no event may the minor be denied the opportunity to consult an attorney.

(5) If the evaluation and treatment facility, secure detoxification facility, or approved substance use disorder treatment program admits the minor, it may detain the minor for evaluation and treatment for a period not to exceed seventy-two hours from the time of provisional acceptance. The computation of such seventy-two hour period shall exclude Saturdays, Sundays, and holidays. This initial treatment period shall not exceed seventy-two hours except when an application for voluntary inpatient treatment is received or a petition for fourteen-day commitment is filed.

(6) Within twelve hours of the admission, the facility shall advise the minor of his or her rights as set forth in this chapter.

Sec. 5018. RCW 71.34.720 and 2016 sp.s. c 29 s 272 are each amended to read as follows:

(1) Each minor approved by the facility for inpatient admission shall be examined and evaluated by a children's mental health specialist, for minors admitted as a result of a mental disorder, or by a chemical dependency professional, for minors admitted as a result of a substance use disorder, as to the child's mental condition and by a physician, physician assistant, or psychiatric advanced registered nurse practitioner as to the child's physical condition within twenty-four hours of admission. Reasonable measures shall be taken to ensure medical treatment is provided for any condition requiring immediate medical attention.

(2) If, after examination and evaluation, the children's mental health specialist or substance use disorder specialist and the physician, physician assistant, or psychiatric advanced registered nurse practitioner determine that the

initial needs of the minor, if detained to an evaluation and treatment facility, would be better served by placement in a substance use disorder treatment ((facility)) program or, if detained to a secure detoxification facility or approved substance use disorder treatment program, would be better served in an evaluation and treatment facility, then the minor shall be referred to the more appropriate placement.

(3) The admitting facility shall take reasonable steps to notify immediately the minor's parent of the admission.

(4) During the initial seventy-two hour treatment period, the minor has a right to associate or receive communications from parents or others unless the professional person in charge determines that such communication would be seriously detrimental to the minor's condition or treatment and so indicates in the minor's clinical record, and notifies the minor's parents of this determination. In no event may the minor be denied the opportunity to consult an attorney.

(5) If the evaluation and treatment facility, secure detoxification facility, or approved substance use disorder treatment program admits the minor, it may detain the minor for evaluation and treatment for a period not to exceed seventy-two hours from the time of provisional acceptance. The computation of such seventy-two hour period shall exclude Saturdays, Sundays, and holidays. This initial treatment period shall not exceed seventy-two hours except when an application for voluntary inpatient treatment is received or a petition for fourteen-day commitment is filed.

(6) Within twelve hours of the admission, the facility shall advise the minor of his or her rights as set forth in this chapter.

Sec. 5019. RCW 71.34.760 and 2016 sp.s. c 29 s 278 are each amended to read as follows:

(1) If a minor is committed for one hundred eighty-day inpatient treatment and is to be placed in a state-supported program, the ((secretary)) director shall accept immediately and place the minor in a state-funded long-term evaluation and treatment facility or state-funded approved substance use disorder treatment program.

(2) The ((secretary's)) director's placement authority shall be exercised through a designated placement committee appointed by the ((secretary)) director and composed of children's mental health specialists and chemical dependency professionals, including at least one child psychiatrist who represents the state-funded, long-term, evaluation and treatment facility for minors and one chemical dependency professional who represents the state-funded approved substance use disorder treatment program. The responsibility of the placement committee will be to:

(a) Make the long-term placement of the minor in the most appropriate, available state-funded evaluation and treatment facility or approved substance use disorder treatment program, having carefully considered factors including the treatment needs of the minor, the most appropriate facility able to respond to the minor's identified treatment needs, the geographic proximity of the facility to the minor's family, the immediate availability of bed space, and the probable impact of the placement on other residents of the facility;

(b) Approve or deny requests from treatment facilities for transfer of a minor to another facility;

(c) Receive and monitor reports required under this section;

(d) Receive and monitor reports of all discharges.

(3) The ~~((secretary))~~ director may authorize transfer of minors among treatment facilities if the transfer is in the best interests of the minor or due to treatment priorities.

(4) The responsible state-funded evaluation and treatment facility or approved substance use disorder treatment program shall submit a report to the ~~((department's))~~ authority's designated placement committee within ninety days of admission and no less than every one hundred eighty days thereafter, setting forth such facts as the ~~((department))~~ authority requires, including the minor's individual treatment plan and progress, recommendations for future treatment, and possible less restrictive treatment.

Sec. 5020. RCW 71.34.780 and 2016 sp.s. c 29 s 279 are each amended to read as follows:

(1) If the professional person in charge of an outpatient treatment program, a designated crisis responder, or the director or secretary, as appropriate, determines that a minor is failing to adhere to the conditions of the court order for less restrictive alternative treatment or the conditions for the conditional release, or that substantial deterioration in the minor's functioning has occurred, the designated crisis responder, or the director or secretary, as appropriate, may order that the minor, if committed for mental health treatment, be taken into custody and transported to an inpatient evaluation and treatment facility or, if committed for substance use disorder treatment, be taken into custody and transported to a secure detoxification facility or approved substance use disorder treatment program if there is an available secure detoxification facility or approved substance use disorder treatment program that has adequate space for the minor.

(2) The designated crisis responder or the director or secretary, as appropriate, shall file the order of apprehension and detention and serve it upon the minor and notify the minor's parent and the minor's attorney, if any, of the detention within two days of return. At the time of service the minor shall be informed of the right to a hearing and to representation by an attorney. The designated crisis responder or the director or secretary, as appropriate, may modify or rescind the order of apprehension and detention at any time prior to the hearing.

(3) A petition for revocation of less restrictive alternative treatment shall be filed by the designated crisis responder or the director or secretary, as appropriate, with the court in the county ordering the less restrictive alternative treatment. The court shall conduct the hearing in that county. A petition for revocation of conditional release may be filed with the court in the county ordering inpatient treatment or the county where the minor on conditional release is residing. A petition shall describe the behavior of the minor indicating violation of the conditions or deterioration of routine functioning and a dispositional recommendation. Upon motion for good cause, the hearing may be transferred to the county of the minor's residence or to the county in which the alleged violations occurred. The hearing shall be held within seven days of the minor's return. The issues to be determined are whether the minor did or did not adhere to the conditions of the less restrictive alternative treatment or conditional release, or whether the minor's routine functioning has substantially deteriorated, and, if so, whether the conditions of less restrictive alternative treatment or

conditional release should be modified or, subject to subsection (4) of this section, whether the minor should be returned to inpatient treatment. Pursuant to the determination of the court, the minor shall be returned to less restrictive alternative treatment or conditional release on the same or modified conditions or shall be returned to inpatient treatment. If the minor is returned to inpatient treatment, RCW 71.34.760 regarding the ((secretary's)) director's placement responsibility shall apply. The hearing may be waived by the minor and the minor returned to inpatient treatment or to less restrictive alternative treatment or conditional release on the same or modified conditions.

(4) A court may not order the return of a minor to inpatient treatment in a secure detoxification facility or approved substance use disorder treatment program unless there is a secure detoxification facility or approved substance use disorder treatment program available with adequate space for the minor.

Sec. 5021. RCW 71.34.780 and 2016 sp.s. c 29 s 280 are each amended to read as follows:

(1) If the professional person in charge of an outpatient treatment program, a designated crisis responder, or the director or secretary, as appropriate, determines that a minor is failing to adhere to the conditions of the court order for less restrictive alternative treatment or the conditions for the conditional release, or that substantial deterioration in the minor's functioning has occurred, the designated crisis responder, or the director or secretary, as appropriate, may order that the minor, if committed for mental health treatment, be taken into custody and transported to an inpatient evaluation and treatment facility or, if committed for substance use disorder treatment, be taken into custody and transported to a secure detoxification facility or approved substance use disorder treatment program.

(2) The designated crisis responder or the director or secretary, as appropriate, shall file the order of apprehension and detention and serve it upon the minor and notify the minor's parent and the minor's attorney, if any, of the detention within two days of return. At the time of service the minor shall be informed of the right to a hearing and to representation by an attorney. The designated crisis responder or the director or secretary, as appropriate, may modify or rescind the order of apprehension and detention at any time prior to the hearing.

(3) A petition for revocation of less restrictive alternative treatment shall be filed by the designated crisis responder or the director or secretary, as appropriate, with the court in the county ordering the less restrictive alternative treatment. The court shall conduct the hearing in that county. A petition for revocation of conditional release may be filed with the court in the county ordering inpatient treatment or the county where the minor on conditional release is residing. A petition shall describe the behavior of the minor indicating violation of the conditions or deterioration of routine functioning and a dispositional recommendation. Upon motion for good cause, the hearing may be transferred to the county of the minor's residence or to the county in which the alleged violations occurred. The hearing shall be held within seven days of the minor's return. The issues to be determined are whether the minor did or did not adhere to the conditions of the less restrictive alternative treatment or conditional release, or whether the minor's routine functioning has substantially deteriorated, and, if so, whether the conditions of less restrictive alternative treatment or

conditional release should be modified or whether the minor should be returned to inpatient treatment. Pursuant to the determination of the court, the minor shall be returned to less restrictive alternative treatment or conditional release on the same or modified conditions or shall be returned to inpatient treatment. If the minor is returned to inpatient treatment, RCW 71.34.760 regarding the ~~((secretary's))~~ director's placement responsibility shall apply. The hearing may be waived by the minor and the minor returned to inpatient treatment or to less restrictive alternative treatment or conditional release on the same or modified conditions.

Sec. 5022. RCW 71.34.790 and 1985 c 354 s 15 are each amended to read as follows:

Necessary transportation for minors committed to the ~~((secretary))~~ director under this chapter for one hundred eighty-day treatment shall be provided by the ~~((department))~~ authority in the most appropriate and cost-effective means.

Sec. 5023. RCW 71.36.010 and 2014 c 225 s 91 are each reenacted and 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) "Behavioral health organization" means a county authority or group of county authorities or other nonprofit entity that has entered into contracts with the ~~((secretary))~~ health care authority pursuant to chapter 71.24 RCW.

(3) "Child" means a person under eighteen years of age, except as expressly provided otherwise in state or federal law.

(4) "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.

(5) "County authority" means the board of county commissioners or county executive.

~~(6) ("Department" means the department of social and health services.~~

~~(7))~~ "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.

~~((8))~~ (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.

~~((9))~~ (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.

~~((10))~~ (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.

~~((11))~~ (10) "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))~~ (11) "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. 5024. RCW 71.36.025 and 2014 c 225 s 92 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))~~ health care authority and the evidence-based practice institute established in RCW 71.24.061, in consultation with parents, caregivers, youth, 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. 5025. RCW 71.36.040 and 2014 c 225 s 93 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)) health care authority 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)) health care authority 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)) health care authority and the office of the superintendent of public instruction shall work together to share information about these approaches with other school districts, behavioral health organizations, and state agencies.

Sec. 5026. RCW 71.36.060 and 2007 c 359 s 6 are each amended to read as follows:

The ((department)) health care authority shall explore the feasibility of obtaining a medicaid state plan amendment to allow the state to receive medicaid matching funds for health services provided to medicaid enrolled youth who are temporarily placed in a juvenile detention facility. Temporary placement shall be defined as until adjudication or up to sixty continuous days, whichever occurs first.

PART 6

Sec. 6001. RCW 9.41.047 and 2016 c 93 s 1 are each amended to read as follows:

(1)(a) At the time a person is convicted or found not guilty by reason of insanity of an offense making the person ineligible to possess a firearm, or at the time a person is committed by court order under RCW 71.05.240, 71.05.320, 71.34.740, 71.34.750, or chapter 10.77 RCW for mental health treatment, the convicting or committing court shall notify the person, orally and in writing, that

the person must immediately surrender any concealed pistol license and that the person may not possess a firearm unless his or her right to do so is restored by a court of record. For purposes of this section a convicting court includes a court in which a person has been found not guilty by reason of insanity.

(b) The convicting or committing court shall forward within three judicial days after conviction or entry of the commitment order a copy of the person's driver's license or identicard, or comparable information, along with the date of conviction or commitment, to the department of licensing. When a person is committed by court order under RCW 71.05.240, 71.05.320, 71.34.740, 71.34.750, or chapter 10.77 RCW, for mental health treatment, the committing court also shall forward, within three judicial days after entry of the commitment order, a copy of the person's driver's license, or comparable information, along with the date of commitment, to the national instant criminal background check system index, denied persons file, created by the federal Brady handgun violence prevention act (P.L. 103-159). The petitioning party shall provide the court with the information required. If more than one commitment order is entered under one cause number, only one notification to the department of licensing and the national instant criminal background check system is required.

(2) Upon receipt of the information provided for by subsection (1) of this section, the department of licensing shall determine if the convicted or committed person has a concealed pistol license. If the person does have a concealed pistol license, the department of licensing shall immediately notify the license-issuing authority which, upon receipt of such notification, shall immediately revoke the license.

(3)(a) A person who is prohibited from possessing a firearm, by reason of having been involuntarily committed for mental health treatment under RCW 71.05.240, 71.05.320, 71.34.740, 71.34.750, chapter 10.77 RCW, or equivalent statutes of another jurisdiction may, upon discharge, petition the superior court to have his or her right to possess a firearm restored.

(b) The petition must be brought in the superior court that ordered the involuntary commitment or the superior court of the county in which the petitioner resides.

(c) Except as provided in (d) of this subsection, the court shall restore the petitioner's right to possess a firearm if the petitioner proves by a preponderance of the evidence that:

(i) The petitioner is no longer required to participate in court-ordered inpatient or outpatient treatment;

(ii) The petitioner has successfully managed the condition related to the commitment;

(iii) The petitioner no longer presents a substantial danger to himself or herself, or the public; and

(iv) The symptoms related to the commitment are not reasonably likely to recur.

(d) If a preponderance of the evidence in the record supports a finding that the person petitioning the court has engaged in violence and that it is more likely than not that the person will engage in violence after his or her right to possess a firearm is restored, the person shall bear the burden of proving by clear, cogent, and convincing evidence that he or she does not present a substantial danger to the safety of others.

(e) When a person's right to possess a firearm has been restored under this subsection, the court shall forward, within three judicial days after entry of the restoration order, notification that the person's right to possess a firearm has been restored to the department of licensing, the ~~((department of social and health services))~~ health care authority, and the national instant criminal background check system index, denied persons file.

(4) No person who has been found not guilty by reason of insanity may petition a court for restoration of the right to possess a firearm unless the person meets the requirements for the restoration of the right to possess a firearm under RCW 9.41.040(4).

Sec. 6002. RCW 9.41.070 and 2017 c 282 s 1 and 2017 c 174 s 1 are each reenacted and amended to read as follows:

(1) The chief of police of a municipality or the sheriff of a county shall within thirty days after the filing of an application of any person, issue a license to such person to carry a pistol concealed on his or her person within this state for five years from date of issue, for the purposes of protection or while engaged in business, sport, or while traveling. However, if the applicant does not have a valid permanent Washington driver's license or Washington state identification card or has not been a resident of the state for the previous consecutive ninety days, the issuing authority shall have up to sixty days after the filing of the application to issue a license. The issuing authority shall not refuse to accept completed applications for concealed pistol licenses during regular business hours.

The applicant's constitutional right to bear arms shall not be denied, unless:

(a) He or she is ineligible to possess a firearm under the provisions of RCW 9.41.040 or 9.41.045, or is prohibited from possessing a firearm under federal law;

(b) The applicant's concealed pistol license is in a revoked status;

(c) He or she is under twenty-one years of age;

(d) He or she is subject to a court order or injunction regarding firearms pursuant to RCW 9A.46.080, 10.14.080, 10.99.040, 10.99.045, 26.09.050, 26.09.060, 26.10.040, 26.10.115, 26.26.130, 26.50.060, 26.50.070, or 26.26.590;

(e) He or she is free on bond or personal recognizance pending trial, appeal, or sentencing for a felony offense;

(f) He or she has an outstanding warrant for his or her arrest from any court of competent jurisdiction for a felony or misdemeanor; or

(g) He or she has been ordered to forfeit a firearm under RCW 9.41.098(1)(e) within one year before filing an application to carry a pistol concealed on his or her person.

No person convicted of a felony may have his or her right to possess firearms restored or his or her privilege to carry a concealed pistol restored, unless the person has been granted relief from disabilities by the attorney general under 18 U.S.C. Sec. 925(c), or RCW 9.41.040 (3) or (4) applies.

(2)(a) The issuing authority shall conduct a check through the national instant criminal background check system, the Washington state patrol electronic database, the ~~((department of social and health services))~~ health care authority electronic database, and with other agencies or resources as appropriate, to determine whether the applicant is ineligible under RCW 9.41.040 or 9.41.045

to possess a firearm, or is prohibited from possessing a firearm under federal law, and therefore ineligible for a concealed pistol license.

(b) The issuing authority shall deny a permit to anyone who is found to be prohibited from possessing a firearm under federal or state law.

(c) This subsection applies whether the applicant is applying for a new concealed pistol license or to renew a concealed pistol license.

(3) Any person whose firearms rights have been restricted and who has been granted relief from disabilities by the attorney general under 18 U.S.C. Sec. 925(c) or who is exempt under 18 U.S.C. Sec. 921(a)(20)(A) shall have his or her right to acquire, receive, transfer, ship, transport, carry, and possess firearms in accordance with Washington state law restored except as otherwise prohibited by this chapter.

(4) The license application shall bear the full name, residential address, telephone number at the option of the applicant, email address at the option of the applicant, date and place of birth, race, gender, description, a complete set of fingerprints, and signature of the licensee, and the licensee's driver's license number or state identification card number if used for identification in applying for the license. A signed application for a concealed pistol license shall constitute a waiver of confidentiality and written request that the (~~department of social and health services~~) health care authority, mental health institutions, and other health care facilities release information relevant to the applicant's eligibility for a concealed pistol license to an inquiring court or law enforcement agency.

The application for an original license shall include a complete set of fingerprints to be forwarded to the Washington state patrol.

The license and application shall contain a warning substantially as follows:

CAUTION: Although state and local laws do not differ, federal law and state law on the possession of firearms differ. If you are prohibited by federal law from possessing a firearm, you may be prosecuted in federal court. A state license is not a defense to a federal prosecution.

The license shall contain a description of the major differences between state and federal law and an explanation of the fact that local laws and ordinances on firearms are preempted by state law and must be consistent with state law.

The application shall contain questions about the applicant's eligibility under RCW 9.41.040 and federal law to possess a pistol, the applicant's place of birth, and whether the applicant is a United States citizen. If the applicant is not a United States citizen, the applicant must provide the applicant's country of citizenship, United States issued alien number or admission number, and the basis on which the applicant claims to be exempt from federal prohibitions on firearm possession by aliens. The applicant shall not be required to produce a birth certificate or other evidence of citizenship. A person who is not a citizen of the United States shall, if applicable, meet the additional requirements of RCW 9.41.173 and produce proof of compliance with RCW 9.41.173 upon application. The license may be in triplicate or in a form to be prescribed by the department of licensing.

The original thereof shall be delivered to the licensee, the duplicate shall within seven days be sent to the director of licensing and the triplicate shall be preserved for six years, by the authority issuing the license.

The department of licensing shall make available to law enforcement and corrections agencies, in an on-line format, all information received under this subsection.

(5) The nonrefundable fee, paid upon application, for the original five-year license shall be thirty-six dollars plus additional charges imposed by the federal bureau of investigation that are passed on to the applicant. No other state or local branch or unit of government may impose any additional charges on the applicant for the issuance of the license.

The fee shall be distributed as follows:

- (a) Fifteen dollars shall be paid to the state general fund;
- (b) Four dollars shall be paid to the agency taking the fingerprints of the person licensed;
- (c) Fourteen dollars shall be paid to the issuing authority for the purpose of enforcing this chapter;
- (d) Two dollars and sixteen cents to the firearms range account in the general fund; and
- (e) Eighty-four cents to the concealed pistol license renewal notification account created in RCW 43.79.540.

(6) The nonrefundable fee for the renewal of such license shall be thirty-two dollars. No other branch or unit of government may impose any additional charges on the applicant for the renewal of the license.

The renewal fee shall be distributed as follows:

- (a) Fifteen dollars shall be paid to the state general fund;
- (b) Fourteen dollars shall be paid to the issuing authority for the purpose of enforcing this chapter;
- (c) Two dollars and sixteen cents to the firearms range account in the general fund; and
- (d) Eighty-four cents to the concealed pistol license renewal notification account created in RCW 43.79.540.

(7) The nonrefundable fee for replacement of lost or damaged licenses is ten dollars to be paid to the issuing authority.

(8) Payment shall be by cash, check, or money order at the option of the applicant. Additional methods of payment may be allowed at the option of the issuing authority.

(9)(a) A licensee may renew a license if the licensee applies for renewal within ninety days before or after the expiration date of the license. A license so renewed shall take effect on the expiration date of the prior license. A licensee renewing after the expiration date of the license must pay a late renewal penalty of ten dollars in addition to the renewal fee specified in subsection (6) of this section. The fee shall be distributed as follows:

- (i) Three dollars shall be deposited in the state wildlife account and used exclusively first for the printing and distribution of a pamphlet on the legal limits of the use of firearms, firearms safety, and the preemptive nature of state law, and subsequently the support of volunteer instructors in the basic firearms safety training program conducted by the department of fish and wildlife. The pamphlet shall be given to each applicant for a license; and
- (ii) Seven dollars shall be paid to the issuing authority for the purpose of enforcing this chapter.

(b) Beginning with concealed pistol licenses that expire on or after August 1, 2018, the department of licensing shall mail a renewal notice approximately ninety days before the license expiration date to the licensee at the address listed on the concealed pistol license application, or to the licensee's new address if the licensee has notified the department of licensing of a change of address. Alternatively, if the licensee provides an email address at the time of license application, the department of licensing may send the renewal notice to the licensee's email address. The notice must contain the date the concealed pistol license will expire, the amount of renewal fee, the penalty for late renewal, and instructions on how to renew the license.

(10) Notwithstanding the requirements of subsections (1) through (9) of this section, the chief of police of the municipality or the sheriff of the county of the applicant's residence may issue a temporary emergency license for good cause pending review under subsection (1) of this section. However, a temporary emergency license issued under this subsection shall not exempt the holder of the license from any records check requirement. Temporary emergency licenses shall be easily distinguishable from regular licenses.

(11) A political subdivision of the state shall not modify the requirements of this section or chapter, nor may a political subdivision ask the applicant to voluntarily submit any information not required by this section.

(12) A person who knowingly makes a false statement regarding citizenship or identity on an application for a concealed pistol license is guilty of false swearing under RCW 9A.72.040. In addition to any other penalty provided for by law, the concealed pistol license of a person who knowingly makes a false statement shall be revoked, and the person shall be permanently ineligible for a concealed pistol license.

(13) A person may apply for a concealed pistol license:

(a) To the municipality or to the county in which the applicant resides if the applicant resides in a municipality;

(b) To the county in which the applicant resides if the applicant resides in an unincorporated area; or

(c) Anywhere in the state if the applicant is a nonresident.

(14) Any person who, as a member of the armed forces, including the national guard and armed forces reserves, is unable to renew his or her license under subsections (6) and (9) of this section because of the person's assignment, reassignment, or deployment for out-of-state military service may renew his or her license within ninety days after the person returns to this state from out-of-state military service, if the person provides the following to the issuing authority no later than ninety days after the person's date of discharge or assignment, reassignment, or deployment back to this state: (a) A copy of the person's original order designating the specific period of assignment, reassignment, or deployment for out-of-state military service, and (b) if appropriate, a copy of the person's discharge or amended or subsequent assignment, reassignment, or deployment order back to this state. A license so renewed under this subsection (14) shall take effect on the expiration date of the prior license. A licensee renewing after the expiration date of the license under this subsection (14) shall pay only the renewal fee specified in subsection (6) of this section and shall not be required to pay a late renewal penalty in addition to the renewal fee.

Sec. 6003. RCW 9.41.090 and 2015 c 1 s 5 are each amended to read as follows:

(1) In addition to the other requirements of this chapter, no dealer may deliver a pistol to the purchaser thereof until:

(a) The purchaser produces a valid concealed pistol license and the dealer has recorded the purchaser's name, license number, and issuing agency, such record to be made in triplicate and processed as provided in subsection (5) of this section. For purposes of this subsection (1)(a), a "valid concealed pistol license" does not include a temporary emergency license, and does not include any license issued before July 1, 1996, unless the issuing agency conducted a records search for disqualifying crimes under RCW 9.41.070 at the time of issuance;

(b) The dealer is notified in writing by the chief of police or the sheriff of the jurisdiction in which the purchaser resides that the purchaser is eligible to possess a pistol under RCW 9.41.040 and that the application to purchase is approved by the chief of police or sheriff; or

(c) The requirements or time periods in RCW 9.41.092 have been satisfied.

(2)(a) Except as provided in (b) of this subsection, in determining whether the purchaser meets the requirements of RCW 9.41.040, the chief of police or sheriff, or the designee of either, shall check with the national crime information center, the Washington state patrol electronic database, the ~~((department of social and health services))~~ health care authority electronic database, and with other agencies or resources as appropriate, to determine whether the applicant is ineligible under RCW 9.41.040 to possess a firearm.

(b) Once the system is established, a dealer shall use the state system and national instant criminal background check system, provided for by the Brady Handgun Violence Prevention Act (18 U.S.C. Sec. 921 et seq.), to make criminal background checks of applicants to purchase firearms. However, a chief of police or sheriff, or a designee of either, shall continue to check the ~~((department of social and health services'))~~ health care authority's electronic database and with other agencies or resources as appropriate, to determine whether applicants are ineligible under RCW 9.41.040 to possess a firearm.

(3) In any case under this section where the applicant has an outstanding warrant for his or her arrest from any court of competent jurisdiction for a felony or misdemeanor, the dealer shall hold the delivery of the pistol until the warrant for arrest is served and satisfied by appropriate court appearance. The local jurisdiction for purposes of the sale shall confirm the existence of outstanding warrants within seventy-two hours after notification of the application to purchase a pistol is received. The local jurisdiction shall also immediately confirm the satisfaction of the warrant on request of the dealer so that the hold may be released if the warrant was for an offense other than an offense making a person ineligible under RCW 9.41.040 to possess a pistol.

(4) In any case where the chief or sheriff of the local jurisdiction has reasonable grounds based on the following circumstances: (a) Open criminal charges, (b) pending criminal proceedings, (c) pending commitment proceedings, (d) an outstanding warrant for an offense making a person ineligible under RCW 9.41.040 to possess a pistol, or (e) an arrest for an offense making a person ineligible under RCW 9.41.040 to possess a pistol, if the records of disposition have not yet been reported or entered sufficiently to determine eligibility to purchase a pistol, the local jurisdiction may hold the sale

and delivery of the pistol up to thirty days in order to confirm existing records in this state or elsewhere. After thirty days, the hold will be lifted unless an extension of the thirty days is approved by a local district court or municipal court for good cause shown. A dealer shall be notified of each hold placed on the sale by local law enforcement and of any application to the court for additional hold period to confirm records or confirm the identity of the applicant.

(5) At the time of applying for the purchase of a pistol, the purchaser shall sign in triplicate and deliver to the dealer an application containing his or her full name, residential address, date and place of birth, race, and gender; the date and hour of the application; the applicant's driver's license number or state identification card number; a description of the pistol including the make, model, caliber and manufacturer's number if available at the time of applying for the purchase of a pistol. If the manufacturer's number is not available, the application may be processed, but delivery of the pistol to the purchaser may not occur unless the manufacturer's number is recorded on the application by the dealer and transmitted to the chief of police of the municipality or the sheriff of the county in which the purchaser resides; and a statement that the purchaser is eligible to possess a pistol under RCW 9.41.040.

The application shall contain a warning substantially as follows:

CAUTION: Although state and local laws do not differ, federal law and state law on the possession of firearms differ. If you are prohibited by federal law from possessing a firearm, you may be prosecuted in federal court. State permission to purchase a firearm is not a defense to a federal prosecution.

The purchaser shall be given a copy of the department of fish and wildlife pamphlet on the legal limits of the use of firearms, firearms safety, and the fact that local laws and ordinances on firearms are preempted by state law and must be consistent with state law.

The dealer shall, by the end of the business day, sign and attach his or her address and deliver a copy of the application and such other documentation as required under subsection (1) of this section to the chief of police of the municipality or the sheriff of the county of which the purchaser is a resident. The triplicate shall be retained by the dealer for six years. The dealer shall deliver the pistol to the purchaser following the period of time specified in this chapter unless the dealer is notified of an investigative hold under subsection (4) of this section in writing by the chief of police of the municipality or the sheriff of the county, whichever is applicable, denying the purchaser's application to purchase and the grounds thereof. The application shall not be denied unless the purchaser is not eligible to possess a pistol under RCW 9.41.040 or 9.41.045, or federal law.

The chief of police of the municipality or the sheriff of the county shall retain or destroy applications to purchase a pistol in accordance with the requirements of 18 U.S.C. Sec. 922.

(6) A person who knowingly makes a false statement regarding identity or eligibility requirements on the application to purchase a pistol is guilty of false swearing under RCW 9A.72.040.

(7) This section does not apply to sales to licensed dealers for resale or to the sale of antique firearms.

Sec. 6004. RCW 9.41.094 and 1994 sp.s. c 7 s 411 are each amended to read as follows:

A signed application to purchase a pistol shall constitute a waiver of confidentiality and written request that the (~~department of social and health services~~) health care authority, mental health institutions, and other health care facilities release, to an inquiring court or law enforcement agency, information relevant to the applicant's eligibility to purchase a pistol to an inquiring court or law enforcement agency.

Sec. 6005. RCW 9.41.097 and 2009 c 216 s 6 are each amended to read as follows:

(1) The (~~department of social and health services~~) health care authority, mental health institutions, and other health care facilities shall, upon request of a court or law enforcement agency, supply such relevant information as is necessary to determine the eligibility of a person to possess a pistol or to be issued a concealed pistol license under RCW 9.41.070 or to purchase a pistol under RCW 9.41.090.

(2) Mental health information received by: (a) The department of licensing pursuant to RCW 9.41.047 or 9.41.173; (b) an issuing authority pursuant to RCW 9.41.047 or 9.41.070; (c) a chief of police or sheriff pursuant to RCW 9.41.090 or 9.41.173; (d) a court or law enforcement agency pursuant to subsection (1) of this section, shall not be disclosed except as provided in RCW 42.56.240(4).

Sec. 6006. RCW 9.41.173 and 2017 c 174 s 2 are each amended to read as follows:

(1) In order to obtain an alien firearm license, a nonimmigrant alien residing in Washington must apply to the sheriff of the county in which he or she resides.

(2) The sheriff of the county shall within sixty days after the filing of an application of a nonimmigrant alien residing in the state of Washington, issue an alien firearm license to such person to carry or possess a firearm for the purposes of hunting and sport shooting. The license shall be good for two years. The issuing authority shall not refuse to accept completed applications for alien firearm licenses during regular business hours. An application for a license may not be denied, unless the applicant's alien firearm license is in a revoked status, or the applicant:

(a) Is ineligible to possess a firearm under the provisions of RCW 9.41.040 or 9.41.045;

(b) Is subject to a court order or injunction regarding firearms pursuant to RCW 9A.46.080, 10.14.080, 10.99.040, 10.99.045, 26.09.050, 26.09.060, 26.10.040, 26.10.115, 26.26.130, 26.50.060, 26.50.070, or 26.26.590;

(c) Is free on bond or personal recognizance pending trial, appeal, or sentencing for a felony offense; or

(d) Has an outstanding warrant for his or her arrest from any court of competent jurisdiction for a felony or misdemeanor.

No license application shall be granted to a nonimmigrant alien convicted of a felony unless the person has been granted relief from disabilities by the attorney general under 18 U.S.C. Sec. 925(c), or unless RCW 9.41.040 (3) or (4) applies.

(3) The sheriff shall check with the national crime information center, the Washington state patrol electronic database, the ~~((department of social and health services))~~ health care authority electronic database, and with other agencies or resources as appropriate, to determine whether the applicant is ineligible under RCW 9.41.040 or 9.41.045 to possess a firearm.

(4) The license application shall bear the full name, residential address, telephone number at the option of the applicant, date and place of birth, race, gender, description, a complete set of fingerprints, and signature of the applicant, a copy of the applicant's passport and visa showing the applicant is in the country legally, and a valid Washington hunting license or documentation that the applicant is a member of a sport shooting club.

A signed application for an alien firearm license shall constitute a waiver of confidentiality and written request that the ~~((department of social and health services))~~ health care authority, mental health institutions, and other health care facilities release information relevant to the applicant's eligibility for an alien firearm license to an inquiring court or law enforcement agency.

The application for an original license shall include a complete set of fingerprints to be forwarded to the Washington state patrol.

The license and application shall contain a warning substantially as follows:

CAUTION: Although state and local laws do not differ, federal law and state law on the possession of firearms differ. If you are prohibited by federal law from possessing a firearm, you may be prosecuted in federal court. A state license is not a defense to a federal prosecution.

The license shall contain a description of the major differences between state and federal law and an explanation of the fact that local laws and ordinances on firearms are preempted by state law and must be consistent with state law. The application shall contain questions about the applicant's eligibility under RCW 9.41.040 to possess a firearm. The nonimmigrant alien applicant shall be required to produce a passport and visa as evidence of being in the country legally.

The license may be in triplicate or in a form to be prescribed by the department of licensing. The original thereof shall be delivered to the licensee, the duplicate shall within seven days be sent to the director of licensing and the triplicate shall be preserved for six years, by the authority issuing the license.

The department of licensing shall make available to law enforcement and corrections agencies, in an online format, all information received under this section.

(5) The sheriff has the authority to collect a nonrefundable fee, paid upon application, for the two-year license. The fee shall be fifty dollars plus additional charges imposed by the Washington state patrol and the federal bureau of investigation that are passed on to the applicant. No other state or local branch or unit of government may impose any additional charges on the applicant for the issuance of the license. The fee shall be retained by the sheriff.

(6) Payment shall be by cash, check, or money order at the option of the applicant. Additional methods of payment may be allowed at the option of the sheriff.

(7) A political subdivision of the state shall not modify the requirements of this section, nor may a political subdivision ask the applicant to voluntarily submit any information not required by this section.

(8) A person who knowingly makes a false statement regarding citizenship or identity on an application for an alien firearm license is guilty of false swearing under RCW 9A.72.040. In addition to any other penalty provided for by law, the alien firearm license of a person who knowingly makes a false statement shall be revoked, and the person shall be permanently ineligible for an alien firearm license.

Sec. 6007. RCW 9.41.300 and 2011 c 221 s 2 are each amended to read as follows:

(1) It is unlawful for any person to enter the following places when he or she knowingly possesses or knowingly has under his or her control a weapon:

(a) The restricted access areas of a jail, or of a law enforcement facility, or any place used for the confinement of a person (i) arrested for, charged with, or convicted of an offense, (ii) held for extradition or as a material witness, or (iii) otherwise confined pursuant to an order of a court, except an order under chapter 13.32A or 13.34 RCW. Restricted access areas do not include common areas of egress or ingress open to the general public;

(b) Those areas in any building which are used in connection with court proceedings, including courtrooms, jury rooms, judge's chambers, offices and areas used to conduct court business, waiting areas, and corridors adjacent to areas used in connection with court proceedings. The restricted areas do not include common areas of ingress and egress to the building that is used in connection with court proceedings, when it is possible to protect court areas without restricting ingress and egress to the building. The restricted areas shall be the minimum necessary to fulfill the objective of this subsection (1)(b).

For purposes of this subsection (1)(b), "weapon" means any firearm, explosive as defined in RCW 70.74.010, or any weapon of the kind usually known as slung shot, sand club, or metal knuckles, or any knife, dagger, dirk, or other similar weapon that is capable of causing death or bodily injury and is commonly used with the intent to cause death or bodily injury.

In addition, the local legislative authority shall provide either a stationary locked box sufficient in size for pistols and key to a weapon owner for weapon storage, or shall designate an official to receive weapons for safekeeping, during the owner's visit to restricted areas of the building. The locked box or designated official shall be located within the same building used in connection with court proceedings. The local legislative authority shall be liable for any negligence causing damage to or loss of a weapon either placed in a locked box or left with an official during the owner's visit to restricted areas of the building.

The local judicial authority shall designate and clearly mark those areas where weapons are prohibited, and shall post notices at each entrance to the building of the prohibition against weapons in the restricted areas;

(c) The restricted access areas of a public mental health facility certified by the department of ~~((social and))~~ health ~~((services))~~ for inpatient hospital care and state institutions for the care of the mentally ill, excluding those facilities solely for evaluation and treatment. Restricted access areas do not include common areas of egress and ingress open to the general public;

(d) That portion of an establishment classified by the state liquor ~~((control))~~ and cannabis board as off-limits to persons under twenty-one years of age; or

(e) The restricted access areas of a commercial service airport designated in the airport security plan approved by the federal transportation security administration, including passenger screening checkpoints at or beyond the point at which a passenger initiates the screening process. These areas do not include airport drives, general parking areas and walkways, and shops and areas of the terminal that are outside the screening checkpoints and that are normally open to unscreened passengers or visitors to the airport. Any restricted access area shall be clearly indicated by prominent signs indicating that firearms and other weapons are prohibited in the area.

(2) Cities, towns, counties, and other municipalities may enact laws and ordinances:

(a) Restricting the discharge of firearms in any portion of their respective jurisdictions where there is a reasonable likelihood that humans, domestic animals, or property will be jeopardized. Such laws and ordinances shall not abridge the right of the individual guaranteed by Article I, section 24 of the state Constitution to bear arms in defense of self or others; and

(b) Restricting the possession of firearms in any stadium or convention center, operated by a city, town, county, or other municipality, except that such restrictions shall not apply to:

(i) Any pistol in the possession of a person licensed under RCW 9.41.070 or exempt from the licensing requirement by RCW 9.41.060; or

(ii) Any showing, demonstration, or lecture involving the exhibition of firearms.

(3)(a) Cities, towns, and counties may enact ordinances restricting the areas in their respective jurisdictions in which firearms may be sold, but, except as provided in (b) of this subsection, a business selling firearms may not be treated more restrictively than other businesses located within the same zone. An ordinance requiring the cessation of business within a zone shall not have a shorter grandfather period for businesses selling firearms than for any other businesses within the zone.

(b) Cities, towns, and counties may restrict the location of a business selling firearms to not less than five hundred feet from primary or secondary school grounds, if the business has a storefront, has hours during which it is open for business, and posts advertisements or signs observable to passersby that firearms are available for sale. A business selling firearms that exists as of the date a restriction is enacted under this subsection (3)(b) shall be grandfathered according to existing law.

(4) Violations of local ordinances adopted under subsection (2) of this section must have the same penalty as provided for by state law.

(5) The perimeter of the premises of any specific location covered by subsection (1) of this section shall be posted at reasonable intervals to alert the public as to the existence of any law restricting the possession of firearms on the premises.

(6) Subsection (1) of this section does not apply to:

(a) A person engaged in military activities sponsored by the federal or state governments, while engaged in official duties;

(b) Law enforcement personnel, except that subsection (1)(b) of this section does apply to a law enforcement officer who is present at a courthouse building as a party to an action under chapter 10.14, 10.99, or 26.50 RCW, or an action under Title 26 RCW where any party has alleged the existence of domestic violence as defined in RCW 26.50.010; or

(c) Security personnel while engaged in official duties.

(7) Subsection (1)(a), (b), (c), and (e) of this section does not apply to correctional personnel or community corrections officers, as long as they are employed as such, who have completed government-sponsored law enforcement firearms training, except that subsection (1)(b) of this section does apply to a correctional employee or community corrections officer who is present at a courthouse building as a party to an action under chapter 10.14, 10.99, or 26.50 RCW, or an action under Title 26 RCW where any party has alleged the existence of domestic violence as defined in RCW 26.50.010.

(8) Subsection (1)(a) of this section does not apply to a person licensed pursuant to RCW 9.41.070 who, upon entering the place or facility, directly and promptly proceeds to the administrator of the facility or the administrator's designee and obtains written permission to possess the firearm while on the premises or checks his or her firearm. The person may reclaim the firearms upon leaving but must immediately and directly depart from the place or facility.

(9) Subsection (1)(c) of this section does not apply to any administrator or employee of the facility or to any person who, upon entering the place or facility, directly and promptly proceeds to the administrator of the facility or the administrator's designee and obtains written permission to possess the firearm while on the premises.

(10) Subsection (1)(d) of this section does not apply to the proprietor of the premises or his or her employees while engaged in their employment.

(11) Government-sponsored law enforcement firearms training must be training that correctional personnel and community corrections officers receive as part of their job requirement and reference to such training does not constitute a mandate that it be provided by the correctional facility.

(12) Any person violating subsection (1) of this section is guilty of a gross misdemeanor.

(13) "Weapon" as used in this section means any firearm, explosive as defined in RCW 70.74.010, or instrument or weapon listed in RCW 9.41.250.

PART 7

Sec. 7001. RCW 41.05.015 and 2011 1st sp.s. c 15 s 55 are each amended to read as follows:

The director shall designate a medical director who is licensed under chapter 18.57 or 18.71 RCW. The director shall also appoint such professional personnel and other assistants and employees, including professional medical screeners, as may be reasonably necessary to carry out the provisions of this chapter and chapter 74.09 RCW and other applicable law. The medical screeners must be supervised by one or more physicians whom the director or the director's designee shall appoint.

Sec. 7002. RCW 41.05.021 and 2017 3rd sp.s. c 13 s 803 are each amended to read as follows:

(1) The Washington state health care authority is created within the executive branch. The authority shall have a director appointed by the governor, with the consent of the senate. The director shall serve at the pleasure of the governor. The director may employ a deputy director, and such assistant directors and special assistants as may be needed to administer the authority, who shall be exempt from chapter 41.06 RCW, and any additional staff members as are necessary to administer this chapter. The director may delegate any power or duty vested in him or her by law, including authority to make final decisions and enter final orders in hearings conducted under chapter 34.05 RCW. The primary duties of the authority shall be to: Administer insurance benefits for state employees, retired or disabled state and school employees, and subject to school employees' benefits board direction, school employees; administer the basic health plan pursuant to chapter 70.47 RCW; administer the children's health program pursuant to chapter 74.09 RCW; study state purchased health care programs in order to maximize cost containment in these programs while ensuring access to quality health care; implement state initiatives, joint purchasing strategies, and techniques for efficient administration that have potential application to all state-purchased health services; and administer grants that further the mission and goals of the authority. The authority's duties include, but are not limited to, the following:

(a) To administer health care benefit programs for state employees, retired or disabled state and school employees, and subject to school employees' benefits board direction, school employees as specifically authorized in RCW 41.05.065 and 41.05.740 and in accordance with the methods described in RCW 41.05.075, 41.05.140, and other provisions of this chapter;

(b) To analyze state purchased health care programs and to explore options for cost containment and delivery alternatives for those programs that are consistent with the purposes of those programs, including, but not limited to:

(i) Creation of economic incentives for the persons for whom the state purchases health care to appropriately utilize and purchase health care services, including the development of flexible benefit plans to offset increases in individual financial responsibility;

(ii) Utilization of provider arrangements that encourage cost containment, including but not limited to prepaid delivery systems, utilization review, and prospective payment methods, and that ensure access to quality care, including assuring reasonable access to local providers, especially for employees residing in rural areas;

(iii) Coordination of state agency efforts to purchase drugs effectively as provided in RCW 70.14.050;

(iv) Development of recommendations and methods for purchasing medical equipment and supporting services on a volume discount basis;

(v) Development of data systems to obtain utilization data from state purchased health care programs in order to identify cost centers, utilization patterns, provider and hospital practice patterns, and procedure costs, utilizing the information obtained pursuant to RCW 41.05.031; and

(vi) In collaboration with other state agencies that administer state purchased health care programs, private health care purchasers, health care facilities, providers, and carriers:

(A) Use evidence-based medicine principles to develop common performance measures and implement financial incentives in contracts with insuring entities, health care facilities, and providers that:

(I) Reward improvements in health outcomes for individuals with chronic diseases, increased utilization of appropriate preventive health services, and reductions in medical errors; and

(II) Increase, through appropriate incentives to insuring entities, health care facilities, and providers, the adoption and use of information technology that contributes to improved health outcomes, better coordination of care, and decreased medical errors;

(B) Through state health purchasing, reimbursement, or pilot strategies, promote and increase the adoption of health information technology systems, including electronic medical records, by hospitals as defined in RCW 70.41.020, integrated delivery systems, and providers that:

(I) Facilitate diagnosis or treatment;

(II) Reduce unnecessary duplication of medical tests;

(III) Promote efficient electronic physician order entry;

(IV) Increase access to health information for consumers and their providers; and

(V) Improve health outcomes;

(C) Coordinate a strategy for the adoption of health information technology systems using the final health information technology report and recommendations developed under chapter 261, Laws of 2005;

(c) To analyze areas of public and private health care interaction;

(d) To provide information and technical and administrative assistance to the board and the school employees' benefits board;

(e) To review and approve or deny applications from counties, municipalities, and other political subdivisions of the state to provide state-sponsored insurance or self-insurance programs to their employees in accordance with the provisions of RCW 41.04.205 and (g) of this subsection, setting the premium contribution for approved groups as outlined in RCW 41.05.050;

(f) To review and approve or deny the application when the governing body of a tribal government applies to transfer their employees to an insurance or self-insurance program administered under this chapter. In the event of an employee transfer pursuant to this subsection (1)(f), members of the governing body are eligible to be included in such a transfer if the members are authorized by the tribal government to participate in the insurance program being transferred from and subject to payment by the members of all costs of insurance for the members. The authority shall: (i) Establish the conditions for participation; (ii) have the sole right to reject the application; and (iii) set the premium contribution for approved groups as outlined in RCW 41.05.050. Approval of the application by the authority transfers the employees and dependents involved to the insurance, self-insurance, or health care program approved by the authority;

(g) To ensure the continued status of the employee insurance or self-insurance programs administered under this chapter as a governmental plan under section 3(32) of the employee retirement income security act of 1974, as amended, the authority shall limit the participation of employees of a county,

municipal, school district, educational service district, or other political subdivision, the Washington health benefit exchange, or a tribal government, including providing for the participation of those employees whose services are substantially all in the performance of essential governmental functions, but not in the performance of commercial activities;

(h) To establish billing procedures and collect funds from school districts in a way that minimizes the administrative burden on districts;

(i) Through December 31, 2019, to publish and distribute to nonparticipating school districts and educational service districts by October 1st of each year a description of health care benefit plans available through the authority and the estimated cost if school districts and educational service district employees were enrolled;

(j) To apply for, receive, and accept grants, gifts, and other payments, including property and service, from any governmental or other public or private entity or person, and make arrangements as to the use of these receipts to implement initiatives and strategies developed under this section;

(k) To issue, distribute, and administer grants that further the mission and goals of the authority;

(l) To adopt rules consistent with this chapter as described in RCW 41.05.160 including, but not limited to:

(i) Setting forth the criteria established by the board under RCW 41.05.065, and by the school employees' benefits board under RCW 41.05.740, for determining whether an employee is eligible for benefits;

(ii) Establishing an appeal process in accordance with chapter 34.05 RCW by which an employee may appeal an eligibility determination;

(iii) Establishing a process to assure that the eligibility determinations of an employing agency comply with the criteria under this chapter, including the imposition of penalties as may be authorized by the board or the school employees' benefits board;

(m)(i) To administer the medical services programs established under chapter 74.09 RCW as the designated single state agency for purposes of Title XIX of the federal social security act;

(ii) To administer the state children's health insurance program under chapter 74.09 RCW for purposes of Title XXI of the federal social security act;

(iii) To enter into agreements with the department of social and health services for administration of medical care services programs under Titles XIX and XXI of the social security act and programs under chapters 71.05, 71.24, and 71.34 RCW. The agreements shall establish the division of responsibilities between the authority and the department with respect to mental health, chemical dependency, and long-term care services, including services for persons with developmental disabilities. The agreements shall be revised as necessary, to comply with the final implementation plan adopted under section 116, chapter 15, Laws of 2011 1st sp. sess.;

(iv) To adopt rules to carry out the purposes of chapter 74.09 RCW;

(v) To appoint such advisory committees or councils as may be required by any federal statute or regulation as a condition to the receipt of federal funds by the authority. The director may appoint statewide committees or councils in the following subject areas: (A) Health facilities; (B) children and youth services; (C) blind services; (D) medical and health care; (E) drug abuse and alcoholism;

(F) rehabilitative services; and (G) such other subject matters as are or come within the authority's responsibilities. The statewide councils shall have representation from both major political parties and shall have substantial consumer representation. Such committees or councils shall be constituted as required by federal law or as the director in his or her discretion may determine. The members of the committees or councils shall hold office for three years except in the case of a vacancy, in which event appointment shall be only for the remainder of the unexpired term for which the vacancy occurs. No member shall serve more than two consecutive terms. Members of such state advisory committees or councils may be paid their travel expenses in accordance with RCW 43.03.050 and 43.03.060 as now existing or hereafter amended;

(n) To review and approve or deny the application from the governing board of the Washington health benefit exchange to provide state-sponsored insurance or self-insurance programs to employees of the exchange. The authority shall (i) establish the conditions for participation; (ii) have the sole right to reject an application; and (iii) set the premium contribution for approved groups as outlined in RCW 41.05.050.

(2) (~~On and after January 1, 1996,;~~) ~~The public employees' benefits board and the school employees' benefits board~~ ~~((beginning October 1, 2017;))~~ may implement strategies to promote managed competition among employee health benefit plans. Strategies may include but are not limited to:

- (a) Standardizing the benefit package;
- (b) Soliciting competitive bids for the benefit package;
- (c) Limiting the state's contribution to a percent of the lowest priced qualified plan within a geographical area;
- (d) Monitoring the impact of the approach under this subsection with regards to: Efficiencies in health service delivery, cost shifts to subscribers, access to and choice of managed care plans statewide, and quality of health services. The health care authority shall also advise on the value of administering a benchmark employer-managed plan to promote competition among managed care plans.

Sec. 7003. RCW 41.05A.005 and 2011 1st sp.s. c 15 s 88 are each amended to read as follows:

The purpose of this chapter is to provide the health care authority with the powers, duties, and authority with respect to the collection of overpayments and the coordination of benefits that are currently provided to the department of social and health services in chapter 43.20B RCW. Providing the health care authority with these powers is necessary for the authority to administer medical services programs established under chapter 74.09 RCW currently administered by the department of social and health services programs but transferred to the authority under chapter 15, Laws of 2011 1st sp. sess., and programs transferred to the authority under chapter . . . , Laws of 2018 (this act). The authority is authorized to collaborate with other state agencies in carrying out its duties under this chapter and, to the extent appropriate, may enter into agreements with such other agencies. Nothing in this chapter may be construed as diminishing the powers, duties, and authority granted to the department of social and health services in chapter 43.20B RCW with respect to the programs that will remain under its jurisdiction following enactment of chapter 15, Laws of 2011 1st sp. sess. and chapter . . . , Laws of 2018 (this act).

Sec. 7004. RCW 74.09.050 and 2011 1st sp.s. c 15 s 5 are each amended to read as follows:

(1) The director shall appoint such professional personnel and other assistants and employees, including professional medical screeners, as may be reasonably necessary to carry out the provisions of this chapter or other applicable law. The medical screeners shall be supervised by one or more physicians who shall be appointed by the director or his or her designee. The director shall appoint a medical director who is licensed under chapter 18.57 or 18.71 RCW.

(2) Whenever the director's authority is not specifically limited by law, he or she has complete charge and supervisory powers over the authority. The director is authorized to create such administrative structures as deemed appropriate, except as otherwise specified by law. The director has the power to employ such assistants and personnel as may be necessary for the general administration of the authority. Except as elsewhere specified, such employment must be in accordance with the rules of the state civil service law, chapter 41.06 RCW.

Sec. 7005. RCW 74.09.055 and 2011 1st sp.s. c 15 s 6 are each amended to read as follows:

The authority is authorized to establish copayment, deductible, or coinsurance, or other cost-sharing requirements for recipients of any medical programs defined in RCW 74.09.010 or other applicable law, except that premiums shall not be imposed on children in households at or below two hundred percent of the federal poverty level.

Sec. 7006. RCW 74.09.080 and 2011 1st sp.s. c 15 s 8 are each amended to read as follows:

In carrying out the administrative responsibility of this chapter or other applicable law, the department or authority, as appropriate:

(1) May contract with an individual or a group, may utilize existing local state public assistance offices, or establish separate welfare medical care offices on a county or multicounty unit basis as found necessary; and

(2) Shall determine both financial and functional eligibility for persons applying for long-term care services under chapter 74.39 or 74.39A RCW as a unified process in a single long-term care organizational unit.

Sec. 7007. RCW 74.09.120 and 2012 c 10 s 60 are each amended to read as follows:

(1) The department shall purchase nursing home care by contract and payment for the care shall be in accordance with the provisions of chapter 74.46 RCW and rules adopted by the department. No payment shall be made to a nursing home which does not permit inspection by the authority and the department of every part of its premises and an examination of all records, including financial records, methods of administration, general and special dietary programs, the disbursement of drugs and methods of supply, and any other records the authority or the department deems relevant to the regulation of nursing home operations, enforcement of standards for resident care, and payment for nursing home services.

(2) The department may purchase nursing home care by contract in veterans' homes operated by the state department of veterans affairs and payment for the

care shall be in accordance with the provisions of chapter 74.46 RCW and rules adopted by the department under the authority of RCW 74.46.800.

(3) The department may purchase care in institutions for persons with intellectual disabilities, also known as intermediate care facilities for persons with intellectual disabilities. The department shall establish rules for reasonable accounting and reimbursement systems for such care. Institutions for persons with intellectual disabilities include licensed nursing homes, public institutions, licensed assisted living facilities with fifteen beds or less, and hospital facilities certified as intermediate care facilities for persons with intellectual disabilities under the federal medicaid program to provide health, habilitative, or rehabilitative services and twenty-four hour supervision for persons with intellectual disabilities or related conditions and includes in the program "active treatment" as federally defined.

(4) The department may purchase care in institutions for mental diseases by contract. The department shall establish rules for reasonable accounting and reimbursement systems for such care. Institutions for mental diseases are certified under the federal medicaid program and primarily engaged in providing diagnosis, treatment, or care to persons with mental diseases, including medical attention, nursing care, and related services.

(5) Both the department and the authority may each purchase all other services provided under this chapter or other applicable law by contract or at rates established by the department or the authority respectively.

Sec. 7008. RCW 74.09.160 and 2011 1st sp.s. c 15 s 10 are each amended to read as follows:

Each vendor or group who has a contract and is rendering service to eligible persons as defined in this chapter or other applicable law shall submit such charges as agreed upon between the department or authority, as appropriate, and the individual or group no later than twelve months from the date of service. If the final charges are not presented within the twelve-month period, they shall not be a charge against the state. Said twelve-month period may also be extended by regulation, but only if required by applicable federal law or regulation, and to no more than the extension of time so required.

Sec. 7009. RCW 74.09.210 and 2013 c 23 s 202 are each amended to read as follows:

(1) No person, firm, corporation, partnership, association, agency, institution, or other legal entity, but not including an individual public assistance recipient of health care, shall, on behalf of himself or herself or others, obtain or attempt to obtain benefits or payments under this chapter or other applicable law in a greater amount than that to which entitled by means of:

- (a) A willful false statement;
- (b) By willful misrepresentation, or by concealment of any material facts; or
- (c) By other fraudulent scheme or device, including, but not limited to:
 - (i) Billing for services, drugs, supplies, or equipment that were unfurnished, of lower quality, or a substitution or misrepresentation of items billed; or
 - (ii) Repeated billing for purportedly covered items, which were not in fact so covered.

(2) Any person or entity knowingly violating any of the provisions of subsection (1) of this section shall be liable for repayment of any excess benefits

or payments received, plus interest at the rate and in the manner provided in RCW 43.20B.695. Such person or other entity shall further, in addition to any other penalties provided by law, be subject to civil penalties. The director or the attorney general may assess civil penalties in an amount not to exceed three times the amount of such excess benefits or payments: PROVIDED, That these civil penalties shall not apply to any acts or omissions occurring prior to September 1, 1979. RCW 43.20A.215 governs notice of a civil fine assessed by the director and provides the right to an adjudicative proceeding.

(3) A criminal action need not be brought against a person for that person to be civilly liable under this section.

(4) In all administrative proceedings under this section, service, adjudicative proceedings, and judicial review of such determinations shall be in accordance with chapter 34.05 RCW, the administrative procedure act.

(5) Civil penalties shall be deposited upon their receipt into the medicaid fraud penalty account established in RCW 74.09.215.

(6) The attorney general may contract with private attorneys and local governments in bringing actions under this section as necessary.

Sec. 7010. RCW 74.09.220 and 1987 c 283 s 8 are each amended to read as follows:

Any person, firm, corporation, partnership, association, agency, institution or other legal entity, but not including an individual public assistance recipient of health care, that, without intent to violate this chapter or other applicable law, obtains benefits or payments under this code to which such person or entity is not entitled, or in a greater amount than that to which entitled, shall be liable for (1) any excess benefits or payments received, and (2) interest calculated at the rate and in the manner provided in RCW 43.20B.695. Whenever a penalty is due under RCW 74.09.210 or interest is due under RCW 43.20B.695, such penalty or interest shall not be reimbursable by the state as an allowable cost under any of the provisions of this chapter or other applicable law.

Sec. 7011. RCW 74.09.230 and 2013 c 23 s 203 are each amended to read as follows:

Any person, including any corporation, that

(1) knowingly makes or causes to be made any false statement or representation of a material fact in any application for any payment under any medical care program authorized under this chapter or other applicable law, or

(2) at any time knowingly makes or causes to be made any false statement or representation of a material fact for use in determining rights to such payment, or knowingly falsifies, conceals, or covers up by any trick, scheme, or device a material fact in connection with such application or payment, or

(3) having knowledge of the occurrence of any event affecting (a) the initial or continued right to any payment, or (b) the initial or continued right to any such payment of any other individual in whose behalf he or she has applied for or is receiving such payment, conceals or fails to disclose such event with an intent fraudulently to secure such payment either in a greater amount or quantity than is due or when no such payment is authorized,

shall be guilty of a class C felony: PROVIDED, That the fine, if imposed, shall not be in an amount more than twenty-five thousand dollars, except as authorized by RCW 9A.20.030.

Sec. 7012. RCW 74.09.240 and 2011 1st sp.s. c 15 s 16 are each amended to read as follows:

(1) Any person, including any corporation, that solicits or receives any remuneration (including any kickback, bribe, or rebate) directly or indirectly, overtly or covertly, in cash or in kind

(a) in return for referring an individual to a person for the furnishing or arranging for the furnishing of any item or service for which payment may be made in whole or in part under this chapter or other applicable law, or

(b) in return for purchasing, leasing, ordering, or arranging for or recommending purchasing, leasing, or ordering any goods, facility, service, or item for which payment may be made in whole or in part under this chapter or other applicable law,

shall be guilty of a class C felony; however, the fine, if imposed, shall not be in an amount more than twenty-five thousand dollars, except as authorized by RCW 9A.20.030.

(2) Any person, including any corporation, that offers or pays any remuneration (including any kickback, bribe, or rebate) directly or indirectly, overtly or covertly, in cash or in kind to any person to induce such person

(a) to refer an individual to a person for the furnishing or arranging for the furnishing of any item or service for which payment may be made, in whole or in part, under this chapter or other applicable law, or

(b) to purchase, lease, order, or arrange for or recommend purchasing, leasing, or ordering any goods, facility, service, or item for which payment may be made in whole or in part under this chapter or other applicable law,

shall be guilty of a class C felony; however, the fine, if imposed, shall not be in an amount more than twenty-five thousand dollars, except as authorized by RCW 9A.20.030.

(3)(a) Except as provided in 42 U.S.C. 1395 nn, physicians are prohibited from self-referring any client eligible under this chapter for the following designated health services to a facility in which the physician or an immediate family member has a financial relationship:

(i) Clinical laboratory services;

(ii) Physical therapy services;

(iii) Occupational therapy services;

(iv) Radiology including magnetic resonance imaging, computerized axial tomography, and ultrasound services;

(v) Durable medical equipment and supplies;

(vi) Parenteral and enteral nutrients equipment and supplies;

(vii) Prosthetics, orthotics, and prosthetic devices;

(viii) Home health services;

(ix) Outpatient prescription drugs;

(x) Inpatient and outpatient hospital services;

(xi) Radiation therapy services and supplies.

(b) For purposes of this subsection, "financial relationship" means the relationship between a physician and an entity that includes either:

(i) An ownership or investment interest; or

(ii) A compensation arrangement.

For purposes of this subsection, "compensation arrangement" means an arrangement involving remuneration between a physician, or an immediate family member of a physician, and an entity.

(c) The department or authority, as appropriate, is authorized to adopt by rule amendments to 42 U.S.C. 1395 nn enacted after July 23, 1995.

(d) This section shall not apply in any case covered by a general exception specified in 42 U.S.C. Sec. 1395 nn.

(4) Subsections (1) and (2) of this section shall not apply to:

(a) A discount or other reduction in price obtained by a provider of services or other entity under this chapter or other applicable law if the reduction in price is properly disclosed and appropriately reflected in the costs claimed or charges made by the provider or entity under this chapter or other applicable law; and

(b) Any amount paid by an employer to an employee (who has a bona fide employment relationship with such employer) for employment in the provision of covered items or services.

(5) Subsections (1) and (2) of this section, if applicable to the conduct involved, shall supersede the criminal provisions of chapter 19.68 RCW, but shall not preclude administrative proceedings authorized by chapter 19.68 RCW.

Sec. 7013. RCW 74.09.260 and 2011 1st sp.s. c 15 s 17 are each amended to read as follows:

Any person, including any corporation, that knowingly:

(1) Charges, for any service provided to a patient under any medical care plan authorized under this chapter or other applicable law, money or other consideration at a rate in excess of the rates established by the department or authority, as appropriate; or

(2) Charges, solicits, accepts, or receives, in addition to any amount otherwise required to be paid under such plan, any gift, money, donation, or other consideration (other than a charitable, religious, or philanthropic contribution from an organization or from a person unrelated to the patient):

(a) As a precondition of admitting a patient to a hospital or nursing facility; or

(b) As a requirement for the patient's continued stay in such facility, when the cost of the services provided therein to the patient is paid for, in whole or in part, under such plan, shall be guilty of a class C felony: PROVIDED, That the fine, if imposed, shall not be in an amount more than twenty-five thousand dollars, except as authorized by RCW 9A.20.030.

Sec. 7014. RCW 74.09.280 and 2011 1st sp.s. c 15 s 18 are each amended to read as follows:

The secretary or director may by rule require that any application, statement, or form filled out by suppliers of medical care under this chapter or other applicable law shall contain or be verified by a written statement that it is made under the penalties of perjury and such declaration shall be in lieu of any oath otherwise required, and each such paper shall in such event so state. The making or subscribing of any such papers or forms containing any false or misleading information may be prosecuted and punished under chapter 9A.72 RCW.

Sec. 7015. RCW 74.09.290 and 2011 1st sp.s. c 15 s 19 are each amended to read as follows:

The secretary or director shall have the authority to:

(1) Conduct audits and investigations of providers of medical and other services furnished pursuant to this chapter or other applicable law, except that the Washington state medical quality assurance commission shall generally serve in an advisory capacity to the secretary or director in the conduct of audits or investigations of physicians. Any overpayment discovered as a result of an audit of a provider under this authority shall be offset by any underpayments discovered in that same audit sample. In order to determine the provider's actual, usual, customary, or prevailing charges, the secretary or director may examine such random representative records as necessary to show accounts billed and accounts received except that in the conduct of such examinations, patient names, other than public assistance applicants or recipients, shall not be noted, copied, or otherwise made available to the department or authority. In order to verify costs incurred by the department or authority for treatment of public assistance applicants or recipients, the secretary or director may examine patient records or portions thereof in connection with services to such applicants or recipients rendered by a health care provider, notwithstanding the provisions of RCW 5.60.060, 18.53.200, 18.83.110, or any other statute which may make or purport to make such records privileged or confidential: PROVIDED, That no original patient records shall be removed from the premises of the health care provider, and that the disclosure of any records or information by the department or the authority is prohibited and shall be punishable as a class C felony according to chapter 9A.20 RCW, unless such disclosure is directly connected to the official purpose for which the records or information were obtained: PROVIDED FURTHER, That the disclosure of patient information as required under this section shall not subject any physician or other health services provider to any liability for breach of any confidential relationship between the provider and the patient, but no evidence resulting from such disclosure may be used in any civil, administrative, or criminal proceeding against the patient unless a waiver of the applicable evidentiary privilege is obtained: PROVIDED FURTHER, That the secretary or director shall destroy all copies of patient medical records in their possession upon completion of the audit, investigation or proceedings;

(2) Approve or deny applications to participate as a provider of services furnished pursuant to this chapter or other applicable law;

(3) Terminate or suspend eligibility to participate as a provider of services furnished pursuant to this chapter or other applicable law; and

(4) Adopt, promulgate, amend, and repeal administrative rules, in accordance with the administrative procedure act, chapter 34.05 RCW, to carry out the policies and purposes of this section and RCW 74.09.200 through ~~((74.09.290))~~ 74.09.280.

Sec. 7016. RCW 74.09.315 and 2012 c 241 s 104 are each amended to read as follows:

(1) For the purposes of this section:

(a) "Employer" means any person, firm, corporation, partnership, association, agency, institution, or other legal entity.

(b) "Whistleblower" means an employee of an employer that obtains or attempts to obtain benefits or payments under this chapter or other applicable

law in violation of RCW 74.09.210, who in good faith reports a violation of RCW 74.09.210 to the authority.

(c) "Workplace reprisal or retaliatory action" includes, but is not limited to: Denial of adequate staff to fulfill duties; frequent staff changes; frequent and undesirable office changes; refusal to assign meaningful work; unwarranted and unsubstantiated report of misconduct under Title 18 RCW; unwarranted and unsubstantiated letters of reprimand or unsatisfactory performance evaluations; demotion; reduction in pay; denial of promotion; suspension; dismissal; denial of employment; ((~~or~~)) a supervisor or superior behaving in or encouraging coworkers to behave in a hostile manner toward the whistleblower; or a change in the physical location of the employee's workplace or a change in the basic nature of the employee's job, if either are in opposition to the employee's expressed wish.

(2) A whistleblower who has been subjected to workplace reprisal or retaliatory action has the remedies provided under chapter 49.60 RCW. RCW 4.24.500 through 4.24.520, providing certain protection to persons who communicate to government agencies, apply to complaints made under this section. The identity of a whistleblower who complains, in good faith, to the authority about a suspected violation of RCW 74.09.210 may remain confidential if requested. The identity of the whistleblower must subsequently remain confidential unless the authority determines that the complaint was not made in good faith.

(3) This section does not prohibit an employer from exercising its authority to terminate, suspend, or discipline an employee who engages in workplace reprisal or retaliatory action against a whistleblower. The protections provided to whistleblowers under this chapter do not prevent an employer from: (a) Terminating, suspending, or disciplining a whistleblower for other lawful purposes; or (b) reducing the hours of employment or terminating employment as a result of the demonstrated inability to meet payroll requirements. The authority shall determine if the employer cannot meet payroll in cases where a whistleblower has been terminated or had hours of employment reduced due to the inability of a facility to meet payroll.

(4) The authority shall adopt rules to implement procedures for filing, investigation, and resolution of whistleblower complaints that are integrated with complaint procedures under this chapter. The authority shall adopt rules designed to discourage whistleblower complaints made in bad faith or for retaliatory purposes.

Sec. 7017. RCW 74.09.522 and 2015 c 256 s 1 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 or other applicable law 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 or other applicable law 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;

(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, colocated, 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 RCW 43.20A.893 (as recodified by this act).

(9) A managed health care system shall pay a nonparticipating provider that provides a service covered under this chapter or other applicable law 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 if the

managed health care system has made good faith efforts to contract with the nonparticipating provider.

(10) For services covered under this chapter or other applicable law 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 (9) 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.

(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.

(12) Payments under RCW 74.60.130 are exempt from this section.

(13) Subsections (9) through (11) of this section expire July 1, 2021.

Sec. 7018. RCW 74.09.530 and 2011 1st sp.s. c 15 s 32 are each amended to read as follows:

(1)(a) The authority is designated as the single state agency for purposes of Title XIX of the federal social security act.

(b) The amount and nature of medical assistance and the determination of eligibility of recipients for medical assistance shall be the responsibility of the authority.

(c) The authority shall establish reasonable standards of assistance and resource and income exemptions which shall be consistent with the provisions of the social security act and federal regulations for determining eligibility of individuals for medical assistance and the extent of such assistance to the extent that funds are available from the state and federal government. The authority shall not consider resources in determining continuing eligibility for recipients eligible under section 1931 of the social security act.

(d) The authority is authorized to collaborate with other state or local agencies and nonprofit organizations in carrying out its duties under this chapter or other applicable law and, to the extent appropriate, may enter into agreements with such other entities.

(2) Individuals eligible for medical assistance under RCW 74.09.510(3) shall be transitioned into coverage under that subsection immediately upon their termination from coverage under RCW 74.09.510(2)(a). The authority shall use income eligibility standards and eligibility determinations applicable to children placed in foster care. The authority shall provide information regarding basic health plan enrollment and shall offer assistance with the application and

enrollment process to individuals covered under RCW 74.09.510(3) who are approaching their twenty-first birthday.

Sec. 7019. RCW 74.09.540 and 2011 1st sp.s. c 15 s 33 are each amended to read as follows:

(1) It is the intent of the legislature to remove barriers to employment for individuals with disabilities by providing medical assistance to working individuals with disabilities through a buy-in program in accordance with section 1902(a)(10)(A)(ii) of the social security act and eligibility and cost-sharing requirements established by the authority.

(2) The authority shall establish income, resource, and cost-sharing requirements for the buy-in program in accordance with federal law and any conditions or limitations specified in the omnibus appropriations act. The authority shall establish and modify eligibility and cost-sharing requirements in order to administer the program within available funds. The authority shall make every effort to coordinate benefits with employer-sponsored coverage available to the working individuals with disabilities receiving benefits under this chapter or other applicable law.

Sec. 7020. RCW 74.09.730 and 2011 1st sp.s. c 15 s 47 are each amended to read as follows:

(1) In establishing Title XIX payments for inpatient hospital services:

~~((+))~~ (a) To the extent funds are appropriated specifically for this purpose, and subject to any conditions placed on appropriations made for this purpose, the authority shall provide a disproportionate share hospital adjustment considering the following components:

~~((+))~~ (i) A low-income care component based on a hospital's medicaid utilization rate, its low-income utilization rate, its provision of obstetric services, and other factors authorized by federal law;

~~((+))~~ (ii) A medical indigency care component based on a hospital's services to persons who are medically indigent; and

~~((+))~~ (iii) A state-only component, to be paid from available state funds to hospitals that do not qualify for federal payments under ~~((+))~~ (a)(ii) of this subsection, based on a hospital's services to persons who are medically indigent;

~~((2))~~ (b) The payment methodology for disproportionate share hospitals shall be specified by the authority in regulation.

~~((3))~~ (2) Nothing in this section shall be construed as a right or an entitlement by any hospital to any payment from the authority.

Sec. 7021. RCW 74.09.780 and 1989 1st ex.s. c 10 s 3 are each amended to read as follows:

The legislature reserves the right to amend or repeal all or any part of this ~~((chapter [subchapter]))~~ subchapter at any time and there shall be no vested private right of any kind against such amendment or repeal. All rights, privileges, or immunities conferred by this ~~((chapter [subchapter]))~~ subchapter or any acts done pursuant thereto shall exist subject to the power of the legislature to amend or repeal this ~~((chapter [subchapter]))~~ subchapter at any time.

Sec. 7022. RCW 74.64.010 and 2012 c 234 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) "Authority" means the Washington state health care authority.

(2) "Enrollee" means an individual who receives benefits through a medical services program.

(3) "Medical services programs" means those medical programs established under chapter 74.09 RCW or other applicable law, including medical assistance, the limited casualty program, children's health program, medical care services, and state children's health insurance program.

Sec. 7023. RCW 74.66.010 and 2012 c 241 s 201 are each amended to read as follows:

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

(1)(a) "Claim" means any request or demand made for a medicaid payment under chapter 74.09 RCW or other applicable law, whether under a contract or otherwise, for money or property and whether or not a government entity has title to the money or property, that:

(i) Is presented to an officer, employee, or agent of a government entity; or

(ii) Is made to a contractor, grantee, or other recipient, if the money or property is to be spent or used on the government entity's behalf or to advance a government entity program or interest, and the government entity:

(A) Provides or has provided any portion of the money or property requested or demanded; or

(B) Will reimburse such contractor, grantee, or other recipient for any portion of the money or property which is requested or demanded.

(b) A "claim" does not include requests or demands for money or property that the government entity has paid to an individual as compensation for employment or as an income subsidy with no restrictions on that individual's use of the money or property.

(2) "Custodian" means the custodian, or any deputy custodian, designated by the attorney general.

(3) "Documentary material" includes the original or any copy of any book, record, report, memorandum, paper, communication, tabulation, chart, or other document, or data compilations stored in or accessible through computer or other information retrieval systems, together with instructions and all other materials necessary to use or interpret the data compilations, and any product of discovery.

(4) "False claims act investigation" means any inquiry conducted by any false claims act investigator for the purpose of ascertaining whether any person is or has been engaged in any violation of this chapter.

(5) "False claims act investigator" means any attorney or investigator employed by the state attorney general who is charged with the duty of enforcing or carrying into effect any provision of this chapter, or any officer or employee of the state of Washington acting under the direction and supervision of the attorney or investigator in connection with an investigation pursuant to this chapter.

(6) "Government entity" means all Washington state agencies that administer medicaid-funded programs under this title.

(7)(a) "Knowing" and "knowingly" mean that a person, with respect to information:

- (i) Has actual knowledge of the information;
- (ii) Acts in deliberate ignorance of the truth or falsity of the information; or
- (iii) Acts in reckless disregard of the truth or falsity of the information.

(b) "Knowing" and "knowingly" do not require proof of specific intent to defraud.

(8) "Material" means having a natural tendency to influence, or be capable of influencing, the payment or receipt of money or property.

(9) "Obligation" means an established duty, whether or not fixed, arising from an express or implied contractual, grantor-grantee, or licensor-licensee relationship, from a fee-based or similar relationship, from statute or rule, or from the retention of any overpayment.

(10) "Official use" means any use that is consistent with the law, and the rules and policies of the attorney general, including use in connection with: Internal attorney general memoranda and reports; communications between the attorney general and a federal, state, or local government agency, or a contractor of a federal, state, or local government agency, undertaken in furtherance of an investigation or prosecution of a case; interviews of any qui tam relator or other witness; oral examinations; depositions; preparation for and response to civil discovery requests; introduction into the record of a case or proceeding; applications, motions, memoranda, and briefs submitted to a court or other tribunal; and communications with attorney general investigators, auditors, consultants and experts, the counsel of other parties, and arbitrators or mediators, concerning an investigation, case, or proceeding.

(11) "Person" means any natural person, partnership, corporation, association, or other legal entity, including any local or political subdivision of a state.

(12) "Product of discovery" includes:

(a) The original or duplicate of any deposition, interrogatory, document, thing, result of the inspection of land or other property, examination, or admission, which is obtained by any method of discovery in any judicial or administrative proceeding of an adversarial nature;

(b) Any digest, analysis, selection, compilation, or derivation of any item listed in (a) of this subsection; and

(c) Any index or other manner of access to any item listed in (a) of this subsection.

(13) "Qui tam action" is an action brought by a person under RCW 74.66.050.

(14) "Qui tam relator" or "relator" is a person who brings an action under RCW 74.66.050.

PART 8

Sec. 8001. RCW 70.02.010 and 2016 sp.s. c 29 s 416 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) "Authority" means the Washington state health care authority.

~~(4)~~ (4) "Commitment" has the same meaning as in RCW 71.05.020.

~~((4))~~ (5) "Custody" has the same meaning as in RCW 71.05.020.

~~((5))~~ (6) "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))~~ (7) "Department" means the department of social and health services.

~~((7))~~ (8) "Designated crisis responder" has the same meaning as in RCW 71.05.020 or 71.34.020, as applicable.

~~((8))~~ (9) "Detention" or "detain" has the same meaning as in RCW 71.05.020.

~~((9))~~ (10) "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))~~ (11) "Discharge" has the same meaning as in RCW 71.05.020.

~~((11))~~ (12) "Evaluation and treatment facility" has the same meaning as in RCW 71.05.020 or 71.34.020, as applicable.

~~((12))~~ (13) "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))~~ (14) "General health condition" means the patient's health status described in terms of "critical," "poor," "fair," "good," "excellent," or terms denoting similar conditions.

~~((14))~~ (15) "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))~~ (16) "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))~~ (17) "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))~~ (18) "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))~~ (19) "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))~~ (20) "Human immunodeficiency virus" or "HIV" has the same meaning as in RCW 70.24.017.

~~((20))~~ (21) "Imminent" has the same meaning as in RCW 71.05.020.

~~((21))~~ (22) "Information and records related to mental health services" means a type of health care information that relates to all information and records compiled, obtained, or maintained in the course of providing services by a mental health service agency 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 the authority, by ((regional support networks)) behavioral health organizations and their staff, and by treatment facilities. 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 behavioral health program as defined in RCW 71.24.025. The term does not include psychotherapy notes.

~~((22))~~ (23) "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))~~ (24) "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))~~ (25) "Legal counsel" has the same meaning as in RCW 71.05.020.

~~((25))~~ (26) "Local public health officer" has the same meaning as in RCW 70.24.017.

~~((26))~~ (27) "Maintain," as related to health care information, means to hold, possess, preserve, retain, store, or control that information.

~~((27))~~ (28) "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 of ~~((social and health services))~~ health under chapter 71.05 RCW, whether that person works in a private or public setting.

~~((28))~~ (29) "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 behavioral health programs, as defined in RCW 71.24.025, and facilities conducting competency evaluations and restoration under chapter 10.77 RCW.

~~((29))~~ (30) "Minor" has the same meaning as in RCW 71.34.020.

~~((30))~~ (31) "Parent" has the same meaning as in RCW 71.34.020.

~~((31))~~ (32) "Patient" means an individual who receives or has received health care. The term includes a deceased individual who has received health care.

~~((32))~~ (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.

~~((33))~~ (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.

~~((34))~~ (35) "Professional person" has the same meaning as in RCW 71.05.020.

~~((35))~~ (36) "Psychiatric advanced registered nurse practitioner" has the same meaning as in RCW 71.05.020.

~~((36))~~ (37) "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))~~ (38) "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))~~ (39) "Release" has the same meaning as in RCW 71.05.020.

~~((39))~~ (40) "Resource management services" has the same meaning as in RCW 71.05.020.

~~((40))~~ (41) "Serious violent offense" has the same meaning as in RCW 71.05.020.

~~((41))~~ (42) "Sexually transmitted infection" or "sexually transmitted disease" has the same meaning as "sexually transmitted disease" in RCW 70.24.017.

~~((42))~~ (43) "Test for a sexually transmitted disease" has the same meaning as in RCW 70.24.017.

~~((43))~~ (44) "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))~~ (45) "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. 8002. RCW 70.02.230 and 2017 3rd sp.s. c 6 s 816 are each amended to read as follows:

(1) Except as provided in this section, RCW 70.02.050, 71.05.445, 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 crisis responder;
- (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 or designated crisis responder 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 or designated crisis responder 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 necessary to enforce RCW 9.41.040(2)(a)(iii). 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)(iii);

(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 authority, to the director of 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 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 and the authority as necessary to coordinate treatment for mental illness, developmental disabilities, alcoholism, or (~~drug abuse~~) substance use disorder of persons who are under the supervision of the department;

(s) Between the department of social and health services, the department of children, youth, and families, and the health care authority as necessary to coordinate treatment for mental illness, developmental disabilities, alcoholism, or drug abuse of persons who are under the supervision of the department of social and health services or the department of children, youth, and families;

(t) 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 could be injurious to the patient's health. Disclosure must be limited to the portions of the records necessary to meet the medical emergency;

(u)(i) Consistent with the requirements of the federal health insurance portability and accountability act, to:

(A) A health care provider who is providing care to a patient, or to whom a patient has been referred for evaluation or treatment; or

(B) Any other person who is working in a care coordinator role for a health care facility or health care provider or is under an agreement pursuant to the federal health insurance portability and accountability act with a health care facility or a health care provider and requires the information and records to assure coordinated care and treatment of that patient.

(ii) A person authorized to use or disclose information and records related to mental health services under this subsection (2)(u) must take appropriate steps to protect the information and records relating to mental health services.

(iii) Psychotherapy notes may not be released without authorization of the patient who is the subject of the request for release of information;

(v) To administrative and office support staff designated to obtain medical records for those licensed professionals listed in (u) of this subsection;

(w) 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 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;

(x) 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;

(y) 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;

(z) 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 or the authority may release without written authorization of the patient, information acquired for billing and collection purposes as described in RCW 70.02.050(1)(d). The department, or the authority, if applicable, 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. Neither the department nor the authority may ~~((not))~~ release counseling, inpatient psychiatric hospitalization, or drug and alcohol treatment information without a signed written release from the client;

(aa)(i) To the secretary of social and health services and the director of the health care authority for either program evaluation or research, or both so long as

the secretary or director, where applicable, 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, or director, where applicable;

(bb) To any person if the conditions in RCW 70.02.205 are met.

(3) Whenever federal law or federal regulations restrict the release of information contained in the information and records related to mental health services of any patient who receives treatment for chemical dependency, the department or the authority 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 or the authority under RCW 71.05.280(3) and 71.05.320(4)(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(4)(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. 8003. RCW 70.02.240 and 2013 c 200 s 8 are each amended to read as follows:

The fact of admission and all information and records related to mental health services obtained through treatment under chapter 71.34 RCW is confidential, except as authorized in RCW 70.02.050, 70.02.210, 70.02.230, 70.02.250, and 70.02.260. Such confidential information may be disclosed only:

(1) In communications between mental health professionals to meet the requirements of chapter 71.34 RCW, in the provision of services to the minor, or in making appropriate referrals;

(2) In the course of guardianship or dependency proceedings;

(3) To the minor, the minor's parent, and the minor's attorney, subject to RCW 13.50.100;

(4) To the courts as necessary to administer chapter 71.34 RCW;

(5) To law enforcement officers or public health officers as necessary to carry out the responsibilities of their office. However, only the fact and date of admission, and the date of discharge, the name and address of the treatment provider, if any, and the last known address must be disclosed upon request;

(6) To law enforcement officers, public health officers, relatives, and other governmental law enforcement agencies, if a minor has escaped from custody, disappeared from an evaluation and treatment facility, violated conditions of a less restrictive treatment order, or failed to return from an authorized leave, and then only such information as may be necessary to provide for public safety or to assist in the apprehension of the minor. The officers are obligated to keep the information confidential in accordance with this chapter;

(7) To the secretary of social and health services and the director of the health care authority for assistance in data collection and program evaluation or research so long as the secretary or director, where applicable, adopts rules for the conduct of such evaluation and research. The 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 minors who have received services in a manner such that the minor is identifiable.

I recognize that unauthorized release of confidential information may subject me to civil liability under state law.

/s/";

(8) To appropriate law enforcement agencies, upon request, 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;

(9) 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 admission, discharge, 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;

(10) To a minor's next of kin, attorney, guardian, or conservator, if any, the information that the minor is presently in the facility or that the minor is seriously physically ill and a statement evaluating the mental and physical condition of the minor as well as a statement of the probable duration of the minor's confinement;

(11) Upon the death of a minor, to the minor's next of kin;

(12) To a facility in which the minor resides or will reside;

(13) To law enforcement officers and to prosecuting attorneys as are necessary to enforce RCW 9.41.040(2)(a)((~~ii~~)) (iii). The extent of information that may be released is limited as follows:

(a) 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;

(b) 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);

(c) Disclosure under this subsection is mandatory for the purposes of the federal health insurance portability and accountability act;

(14) This section may not 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 director of the health care authority or the secretary of the department of social and health services, where applicable. The fact of admission and all information obtained pursuant to chapter 71.34 RCW are not admissible as evidence in any legal proceeding outside chapter 71.34 RCW, except

guardianship or dependency, without the written consent of the minor or the minor's parent;

(15) For the purpose of a correctional facility participating in the postinstitutional medical assistance system supporting the expedited medical determinations and medical suspensions as provided in RCW 74.09.555 and 74.09.295;

(16) Pursuant to a lawful order of a court.

Sec. 8004. RCW 70.02.250 and 2014 c 225 s 72 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))~~ authority 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 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 authority and the department((s)) of corrections.

(4) The ~~((department and the department of corrections))~~ authority, in consultation with the department, the department of corrections, 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. 8005. RCW 70.02.260 and 2013 c 200 s 10 are each amended to read as follows:

(1)(a) A mental health service agency shall release to the persons authorized under subsection (2) of this section, upon request:

(i) The fact, place, and date of an involuntary commitment, the fact and date of discharge or release, and the last known address of a person who has been committed under chapter 71.05 RCW.

(ii) Information and records related to mental health services, in the format determined under subsection (9) of this section, concerning a person who:

(A) Is currently committed to the custody or supervision of the department of corrections or the indeterminate sentence review board under chapter 9.94A or 9.95 RCW;

(B) Has been convicted or found not guilty by reason of insanity of a serious violent offense; or

(C) Was charged with a serious violent offense and the charges were dismissed under RCW 10.77.086.

(b) Legal counsel may release such information to the persons authorized under subsection (2) of this section on behalf of the mental health service agency, so long as nothing in this subsection requires the disclosure of attorney work product or attorney-client privileged information.

(2) The information subject to release under subsection (1) of this section must be released to law enforcement officers, personnel of a county or city jail, designated mental health professionals or designated crisis responders, as appropriate, public health officers, therapeutic court personnel as defined in RCW 71.05.020, or personnel of the department of corrections, including the indeterminate sentence review board and personnel assigned to perform board-related duties, when such information is requested during the course of business and for the purpose of carrying out the responsibilities of the requesting person's office. No mental health service agency or person employed by a mental health service agency, or its legal counsel, may be liable for information released to or used under the provisions of this section or rules adopted under this section except under RCW 71.05.680.

(3) A person who requests information under subsection (1)(a)(ii) of this section must comply with the following restrictions:

(a) Information must be requested only for the purposes permitted by this subsection and for the purpose of carrying out the responsibilities of the requesting person's office. Appropriate purposes for requesting information under this section include:

(i) Completing presentence investigations or risk assessment reports;

(ii) Assessing a person's risk to the community;

(iii) Assessing a person's risk of harm to self or others when confined in a city or county jail;

(iv) Planning for and provision of supervision of an offender, including decisions related to sanctions for violations of conditions of community supervision; and

(v) Responding to an offender's failure to report for department of corrections supervision;

(b) Information may not be requested under this section unless the requesting person has reasonable suspicion that the individual who is the subject of the information:

(i) Has engaged in activity indicating that a crime or a violation of community custody or parole has been committed or, based upon his or her current or recent past behavior, is likely to be committed in the near future; or

(ii) Is exhibiting signs of a deterioration in mental functioning which may make the individual appropriate for civil commitment under chapter 71.05 RCW; and

(c) Any information received under this section must be held confidential and subject to the limitations on disclosure outlined in this chapter, except:

(i) The information may be shared with other persons who have the right to request similar information under subsection (2) of this section, solely for the purpose of coordinating activities related to the individual who is the subject of the information in a manner consistent with the official responsibilities of the persons involved;

(ii) The information may be shared with a prosecuting attorney acting in an advisory capacity for a person who receives information under this section. A prosecuting attorney under this subsection is subject to the same restrictions and confidentiality limitations as the person who requested the information; and

(iii) As provided in RCW 72.09.585.

(4) A request for information and records related to mental health services under this section does not require the consent of the subject of the records. The request must be provided in writing, except to the extent authorized in subsection (5) of this section. A written request may include requests made by email or facsimile so long as the requesting person is clearly identified. The request must specify the information being requested.

(5) In the event of an emergency situation that poses a significant risk to the public or the offender, a mental health service agency, or its legal counsel, shall release information related to mental health services delivered to the offender and, if known, information regarding where the offender is likely to be found to the department of corrections or law enforcement upon request. The initial request may be written or oral. All oral requests must be subsequently confirmed in writing. Information released in response to an oral request is limited to a statement as to whether the offender is or is not being treated by the mental health service agency and the address or information about the location or whereabouts of the offender.

(6) Disclosure under this section to state or local law enforcement authorities is mandatory for the purposes of the federal health insurance portability and accountability act.

(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.

(9) In collaboration with interested organizations, the ~~((department))~~ authority shall develop a standard form for requests for information related to mental health services made under this section and a standard format for information provided in response to the requests. Consistent with the goals of the health information privacy provisions of the federal health insurance portability and accountability act, in developing the standard form for responsive information, the ~~((department))~~ authority shall design the form in such a way that the information disclosed is limited to the minimum necessary to serve the purpose for which the information is requested.

Sec. 8006. RCW 70.02.340 and 2014 c 220 s 13 are each amended to read as follows:

The ~~((department of social and health services))~~ authority shall adopt rules related to the disclosure of information and records related to mental health services ~~((in this chapter))~~.

Sec. 8007. RCW 70.02.350 and 2013 c 200 s 19 are each amended to read as follows:

In addition to any other information required to be released under this chapter, the department of social and health services ~~((is))~~ and the authority are authorized, pursuant to RCW 4.24.550, to release relevant information that is necessary to protect the public, concerning a specific person committed under RCW 71.05.280(3) or 71.05.320(3)(c) following dismissal of a sex offense as defined in RCW 9.94A.030.

Sec. 8008. RCW 42.56.270 and 2017 c 317 s 17 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 or the health care authority 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) Market share data submitted by a manufacturer under RCW 70.95N.190(4);

(22) Financial information supplied to the department of financial institutions or to a portal under RCW 21.20.883, when filed by or on behalf of an issuer of securities for the purpose of obtaining the exemption from state securities registration for small securities offerings provided under RCW 21.20.880 or when filed by or on behalf of an investor for the purpose of purchasing such securities;

(23) Unaggregated or individual notices of a transfer of crude oil that is financial, proprietary, or commercial information, submitted to the department of ecology pursuant to RCW 90.56.565(1)(a), and that is in the possession of the department of ecology or any entity with which the department of ecology has shared the notice pursuant to RCW 90.56.565;

(24) Financial institution and retirement account information, and building security plan information, supplied to the liquor and cannabis board pursuant to

RCW 69.50.325, 69.50.331, 69.50.342, and 69.50.345, when filed by or on behalf of a licensee or prospective licensee for the purpose of obtaining, maintaining, or renewing a license to produce, process, transport, or sell marijuana as allowed under chapter 69.50 RCW;

(25) Marijuana transport information, vehicle and driver identification data, and account numbers or unique access identifiers issued to private entities for traceability system access, submitted by an individual or business to the liquor and cannabis board under the requirements of RCW 69.50.325, 69.50.331, 69.50.342, and 69.50.345 for the purpose of marijuana product traceability. Disclosure to local, state, and federal officials is not considered public disclosure for purposes of this section;

(26) Financial and commercial information submitted to or obtained by the retirement board of any city that is responsible for the management of an employees' retirement system pursuant to the authority of chapter 35.39 RCW, 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 retirement fund or to result in private loss to the providers of this information except that (a) the names and commitment amounts of the private funds in which retirement funds are invested and (b) the aggregate quarterly performance results for a retirement fund's portfolio of investments in such funds are subject to disclosure;

(27) Proprietary financial, commercial, operations, and technical and research information and data submitted to or obtained by the liquor and cannabis board in applications for marijuana research licenses under RCW 69.50.372, or in reports submitted by marijuana research licensees in accordance with rules adopted by the liquor and cannabis board under RCW 69.50.372; and

(28) Trade secrets, technology, proprietary information, and financial considerations contained in any agreements or contracts, entered into by a licensed marijuana business under RCW 69.50.395, which may be submitted to or obtained by the state liquor and cannabis board.

Sec. 8009. RCW 43.70.080 and 1989 1st ex.s. c 9 s 201 are each amended to read as follows:

The powers and duties of the department of social and health services and the secretary of social and health services under the following statutes are hereby transferred to the department of health and the secretary of health: Chapters 16.70, (~~(18.20,)~~) 18.46, 18.71, 18.73, 18.76, 69.30, 70.28, 70.30, (~~(70.32, 70.33,)~~) 70.50, 70.58, 70.62, 70.83, (~~(70.83B,)~~) 70.90, 70.98, 70.104, 70.116, 70.118, 70.119, 70.119A, 70.121, 70.127, 70.142, and 80.50 RCW. More specifically, the following programs and services presently administered by the department of social and health services are hereby transferred to the department of health:

(1) Personal health and protection programs and related management and support services, including, but not limited to: Immunizations; tuberculosis; sexually transmitted diseases; AIDS; diabetes control; primary health care; cardiovascular risk reduction; kidney disease; regional genetic services; newborn metabolic screening; sentinel birth defects; cytogenetics; communicable disease epidemiology; and chronic disease epidemiology;

(2) Environmental health protection services and related management and support services, including, but not limited to: Radiation, including X-ray

control, radioactive materials, uranium mills, low-level waste, emergency response and reactor safety, and environmental radiation protection; drinking water; toxic substances; on-site sewage; recreational water contact facilities; food services sanitation; shellfish; and general environmental health services, including schools, vectors, parks, and camps;

(3) Public health laboratory;

(4) Public health support services, including, but not limited to: Vital records; health data; local public health services support; and health education and information;

(5) Licensing and certification services including, but not limited to: Behavioral health agencies, agencies providing problem and pathological gambling treatment, health and personal care facility survey, construction review, emergency medical services, laboratory quality assurance, and accommodations surveys; and

(6) Effective January 1, 1991, parent and child health services and related management support services, including, but not limited to: Maternal and infant health; child health; parental health; nutrition; (~~handicapped children's~~) services for children with disabilities; family planning; adolescent pregnancy services; high priority infant tracking; early intervention; parenting education; prenatal regionalization; and power and duties under RCW 43.20A.635. The director of the office of financial management may recommend to the legislature a delay in this transfer, if it is determined that this time frame is not adequate.

Sec. 8010. RCW 43.59.030 and 2016 c 206 s 2 are each amended to read as follows:

The governor shall be assisted in his or her duties and responsibilities by the Washington state traffic safety commission. The Washington traffic safety commission shall be composed of the governor as chair, the superintendent of public instruction, the director of licensing, the secretary of transportation, the chief of the state patrol, the secretary of health, the (~~secretary of social and health services~~) director of the health care authority, a representative of the association of Washington cities to be appointed by the governor, a member of the association of counties to be appointed by the governor, and a representative of the judiciary to be appointed by the governor. Appointments to any vacancies among appointee members shall be as in the case of original appointment.

The governor may designate an employee of the governor's office familiar with the traffic safety commission to act on behalf of the governor during the absence of the governor at one or more of the meetings of the commission. The vote of the designee shall have the same effect as if cast by the governor if the designation is in writing and is presented to the person presiding at the meetings included within the designation.

The governor may designate a member, other than the governor's designee, to preside during the governor's absence.

Sec. 8011. RCW 48.21.180 and 2003 c 248 s 9 are each amended to read as follows:

Each group disability insurance contract which is delivered or issued for delivery or renewed, on or after January 1, 1988, and which insures for hospital or medical care must contain provisions providing benefits for the treatment of chemical dependency rendered to the insured by a provider which is an

"approved substance use disorder treatment program" under RCW 70.96A.020(~~((3))~~) (2).

Sec. 8012. RCW 48.44.240 and 2005 c 223 s 25 are each amended to read as follows:

Each group contract for health care services that is delivered or issued for delivery or renewed, on or after January 1, 1988, must contain provisions providing benefits for the treatment of chemical dependency rendered to covered persons by a provider that is an "approved substance use disorder treatment program" under RCW 70.96A.020(~~((3))~~) (2).

Sec. 8013. RCW 48.46.350 and 2003 c 248 s 19 are each amended to read as follows:

Each group agreement for health care services that is delivered or issued for delivery or renewed on or after January 1, 1988, must contain provisions providing benefits for the treatment of chemical dependency rendered to covered persons by a provider which is an "approved substance use disorder treatment program" under RCW 70.96A.020(~~((3))~~) (2). However, this section does not apply to any agreement written as supplemental coverage to any federal or state programs of health care including, but not limited to, Title XVIII health insurance for the aged, which is commonly referred to as Medicare, Parts A&B, and amendments thereto. Treatment must be covered under the chemical dependency coverage if treatment is rendered by the health maintenance organization or if the health maintenance organization refers the enrolled participant or the enrolled participant's dependents to a physician licensed under chapter 18.57 or 18.71 RCW, or to a qualified counselor employed by an approved substance use disorder treatment program described in RCW 70.96A.020(~~((3))~~) (2). In all cases, a health maintenance organization retains the right to diagnose the presence of chemical dependency and select the modality of treatment that best serves the interest of the health maintenance organization's enrolled participant, or the enrolled participant's covered dependent.

Sec. 8014. RCW 69.50.540 and 2017 3rd sp.s. c 1 s 979 are each amended to read as follows:

The legislature must annually appropriate moneys in the dedicated marijuana account created in RCW 69.50.530 as follows:

(1) For the purposes listed in this subsection (1), the legislature must appropriate to the respective agencies amounts sufficient to make the following expenditures on a quarterly basis:

(a) Beginning July 1, (~~(2015)~~) 2017, one hundred twenty-five thousand dollars to the (~~(department of social and health services)~~) health care authority to design and administer the Washington state healthy youth survey, analyze the collected data, and produce reports, in collaboration with the office of the superintendent of public instruction, department of health, department of commerce, family policy council, and state liquor and cannabis board. The survey must be conducted at least every two years and include questions regarding, but not necessarily limited to, academic achievement, age at time of substance use initiation, antisocial behavior of friends, attitudes toward antisocial behavior, attitudes toward substance use, laws and community norms regarding antisocial behavior, family conflict, family management, parental attitudes toward substance use, peer rewarding of antisocial behavior, perceived

risk of substance use, and rebelliousness. Funds disbursed under this subsection may be used to expand administration of the healthy youth survey to student populations attending institutions of higher education in Washington;

(b) Beginning July 1, (~~(2015)~~) 2017, fifty thousand dollars to the (~~(department of social and health services)~~) health care authority for the purpose of contracting with the Washington state institute for public policy to conduct the cost-benefit evaluation and produce the reports described in RCW 69.50.550. This appropriation ends after production of the final report required by RCW 69.50.550;

(c) Beginning July 1, (~~(2015)~~) 2017, five thousand dollars to the University of Washington alcohol and drug abuse institute for the creation, maintenance, and timely updating of web-based public education materials providing medically and scientifically accurate information about the health and safety risks posed by marijuana use;

(d)(i) An amount not less than one million two hundred fifty thousand dollars to the state liquor and cannabis board for administration of this chapter as appropriated in the omnibus appropriations act; and

(ii) Three hundred fifty-one thousand seven hundred fifty dollars for fiscal year 2018 and three hundred fifty-one thousand seven hundred fifty dollars for fiscal year 2019 to the health professions account established under RCW 43.70.320 for the development and administration of the marijuana authorization database by the department of health. It is the intent of the legislature that this policy will be continued in the 2019-2021 fiscal biennium;

(e) Twenty-three thousand seven hundred fifty dollars to the department of enterprise services provided solely for the state building code council established under RCW 19.27.070, to develop and adopt fire and building code provisions related to marijuana processing and extraction facilities. The distribution under this subsection (1)(e) is for fiscal year 2016 only;

(2) From the amounts in the dedicated marijuana account after appropriation of the amounts identified in subsection (1) of this section, the legislature must appropriate for the purposes listed in this subsection (2) as follows:

(a)(i) Up to fifteen percent to the (~~(department of social and health services division of behavioral health and recovery)~~) health care authority for the development, implementation, maintenance, and evaluation of programs and practices aimed at the prevention or reduction of maladaptive substance use, substance use disorder, substance abuse or substance dependence, as these terms are defined in the Diagnostic and Statistical Manual of Mental Disorders, among middle school and high school-age students, whether as an explicit goal of a given program or practice or as a consistently corresponding effect of its implementation, mental health services for children and youth, and services for pregnant and parenting women; PROVIDED, That:

(A) Of the funds appropriated under (a)(i) of this subsection for new programs and new services, at least eighty-five percent must be directed to evidence-based or research-based programs and practices that produce objectively measurable results and, by September 1, 2020, are cost-beneficial; and

(B) Up to fifteen percent of the funds appropriated under (a)(i) of this subsection for new programs and new services may be directed to proven and tested practices, emerging best practices, or promising practices.

(ii) In deciding which programs and practices to fund, the ~~((secretary of the department of social and health services))~~ director of the health care authority must consult, at least annually, with the University of Washington's social development research group and the University of Washington's alcohol and drug abuse institute.

(iii) For the fiscal year beginning July 1, 2016, the legislature must appropriate a minimum of twenty-seven million seven hundred eighty-six thousand dollars, and for each subsequent fiscal year thereafter, the legislature must appropriate a minimum of twenty-five million five hundred thirty-six thousand dollars under this subsection (2)(a);

(b)(i) Up to ten percent to the department of health for the following, subject to (b)(ii) of this subsection (2):

(A) Creation, implementation, operation, and management of a marijuana education and public health program that contains the following:

(I) A marijuana use public health hotline that provides referrals to substance abuse treatment providers, utilizes evidence-based or research-based public health approaches to minimizing the harms associated with marijuana use, and does not solely advocate an abstinence-only approach;

(II) A grants program for local health departments or other local community agencies that supports development and implementation of coordinated intervention strategies for the prevention and reduction of marijuana use by youth; and

(III) Media-based education campaigns across television, internet, radio, print, and out-of-home advertising, separately targeting youth and adults, that provide medically and scientifically accurate information about the health and safety risks posed by marijuana use;

(B) The Washington poison control center; and

(C) During the 2015-2017 fiscal biennium, the funds appropriated under this subsection (2)(b) may be used for prevention activities that target youth and populations with a high incidence of tobacco use.

(ii) For the fiscal year beginning July 1, 2016, the legislature must appropriate a minimum of seven million five hundred thousand dollars and for each subsequent fiscal year thereafter, the legislature must appropriate a minimum of nine million seven hundred fifty thousand dollars under this subsection (2)(b);

(c)(i) Up to six-tenths of one percent to the University of Washington and four-tenths of one percent to Washington State University for research on the short and long-term effects of marijuana use, to include but not be limited to formal and informal methods for estimating and measuring intoxication and impairment, and for the dissemination of such research.

(ii) For the fiscal year beginning July 1, 2016, the legislature must appropriate a minimum of two hundred seven thousand dollars and for each subsequent fiscal year, except for the 2017-2019 fiscal biennium, the legislature must appropriate a minimum of one million twenty-one thousand dollars to the University of Washington. For the fiscal year beginning July 1, 2016, the legislature must appropriate a minimum of one hundred thirty-eight thousand dollars and for each subsequent fiscal year thereafter, except for the 2017-2019 fiscal biennium, a minimum of six hundred eighty-one thousand dollars to

Washington State University under this subsection (2)(c). It is the intent of the legislature that this policy will be continued in the 2019-2021 fiscal biennium;

(d) Fifty percent to the state basic health plan trust account to be administered by the Washington basic health plan administrator and used as provided under chapter 70.47 RCW;

(e) Five percent to the Washington state health care authority to be expended exclusively through contracts with community health centers to provide primary health and dental care services, migrant health services, and maternity health care services as provided under RCW 41.05.220;

(f)(i) Up to three-tenths of one percent to the office of the superintendent of public instruction to fund grants to building bridges programs under chapter 28A.175 RCW.

(ii) For the fiscal year beginning July 1, 2016, and each subsequent fiscal year, the legislature must appropriate a minimum of five hundred eleven thousand dollars to the office of the superintendent of public instruction under this subsection (2)(f); and

(g) At the end of each fiscal year, the treasurer must transfer any amounts in the dedicated marijuana account that are not appropriated pursuant to subsection (1) of this section and this subsection (2) into the general fund, except as provided in (g)(i) of this subsection (2).

(i) Beginning in fiscal year 2018, if marijuana excise tax collections deposited into the general fund in the prior fiscal year exceed twenty-five million dollars, then each fiscal year the legislature must appropriate an amount equal to thirty percent of all marijuana excise taxes deposited into the general fund the prior fiscal year to the treasurer for distribution to counties, cities, and towns as follows:

(A) Thirty percent must be distributed to counties, cities, and towns where licensed marijuana retailers are physically located. Each jurisdiction must receive a share of the revenue distribution under this subsection (2)(g)(i)(A) based on the proportional share of the total revenues generated in the individual jurisdiction from the taxes collected under RCW 69.50.535, from licensed marijuana retailers physically located in each jurisdiction. For purposes of this subsection (2)(g)(i)(A), one hundred percent of the proportional amount attributed to a retailer physically located in a city or town must be distributed to the city or town.

(B) Seventy percent must be distributed to counties, cities, and towns ratably on a per capita basis. Counties must receive sixty percent of the distribution, which must be disbursed based on each county's total proportional population. Funds may only be distributed to jurisdictions that do not prohibit the siting of any state licensed marijuana producer, processor, or retailer.

(ii) Distribution amounts allocated to each county, city, and town must be distributed in four installments by the last day of each fiscal quarter.

(iii) By September 15th of each year, the state liquor and cannabis board must provide the state treasurer the annual distribution amount, if any, for each county and city as determined in (g)(i) of this subsection (2).

(iv) The total share of marijuana excise tax revenues distributed to counties and cities in (g)(i) of this subsection (2) may not exceed six million dollars in fiscal years 2018 and 2019 and twenty million dollars per fiscal year thereafter. However, if the February 2018 forecast of state revenues for the general fund in

the 2017-2019 fiscal biennium exceeds the amount estimated in the June 2017 revenue forecast by over eighteen million dollars after adjusting for changes directly related to legislation adopted in the 2017 legislative session, the total share of marijuana excise tax revenue distributed to counties and cities in (g)(i) of this subsection (2) may not exceed fifteen million dollars in fiscal years 2018 and 2019. It is the intent of the legislature that the policy for the maximum distributions in the subsequent fiscal biennia will be no more than ((~~\$6~~) six million dollars per fiscal year.

For the purposes of this section, "marijuana products" means "useable marijuana," "marijuana concentrates," and "marijuana-infused products" as those terms are defined in RCW 69.50.101.

PART 9

Sec. 9001. RCW 2.30.020 and 2015 c 291 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) "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.

(2) "Evidence-based" means a program or practice that: (a) 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; or (b) may be implemented with a set of procedures to allow successful replication in Washington and, when possible, is determined to be cost-beneficial.

(3) "Government authority" means prosecutor or other representative initiating action leading to a proceeding in therapeutic court.

(4) "Participant" means an accused person, offender, or respondent in the judicial proceeding.

(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) "Specialty court" and "therapeutic court" both mean a court utilizing a program or programs structured to achieve both a reduction in recidivism and an increase in the likelihood of rehabilitation, or to reduce child abuse and neglect, out-of-home placements of children, termination of parental rights, and substance abuse and mental health symptoms among parents or guardians and their children through continuous and intense judicially supervised treatment and the appropriate use of services, sanctions, and incentives.

(7) "Therapeutic court personnel" means the staff of a therapeutic court including, but not limited to: Court and clerk personnel with therapeutic court duties, prosecuting attorneys, the attorney general or his or her representatives,

defense counsel, monitoring personnel, and others acting within the scope of therapeutic court duties.

(8) "Trial court" means a superior court authorized under this title ((2 RCW)) or a district or municipal court authorized under Title 3 or 35 RCW.

Sec. 9002. RCW 2.30.030 and 2015 c 291 s 3 are each amended to read as follows:

(1) Every trial and juvenile court in the state of Washington is authorized and encouraged to establish and operate therapeutic courts. Therapeutic courts, in conjunction with the government authority and subject matter experts specific to the focus of the therapeutic court, develop and process cases in ways that depart from traditional judicial processes to allow defendants or respondents the opportunity to obtain treatment services to address particular issues that may have contributed to the conduct that led to their arrest or involvement in the child welfare system in exchange for resolution of the case or charges. In criminal cases, the consent of the prosecutor is required.

(2) While a therapeutic court judge retains the discretion to decline to accept a case into the therapeutic court, and while a therapeutic court retains discretion to establish processes and determine eligibility for admission to the therapeutic court process unique to their community and jurisdiction, the effectiveness and credibility of any therapeutic court will be enhanced when the court implements evidence-based practices, research-based practices, emerging best practices, or promising practices that have been identified and accepted at the state and national levels. Promising practices, emerging best practices, and/or research-based programs are authorized where determined by the court to be appropriate. As practices evolve, the trial court shall regularly assess the effectiveness of its program and the methods by which it implements and adopts new best practices.

(3) Except under special findings by the court, the following individuals are not eligible for participation in therapeutic courts:

(a) Individuals who are currently charged or who have been previously convicted of a serious violent offense or sex offense as defined in RCW 9.94A.030;

(b) Individuals who are currently charged with an offense alleging intentional discharge, threat to discharge, or attempt to discharge a firearm in furtherance of the offense;

(c) Individuals who are currently charged with or who have been previously convicted of vehicular homicide or an equivalent out-of-state offense; or

(d) Individuals who are currently charged with or who have been previously convicted of: An offense alleging substantial bodily harm or great bodily harm as defined in RCW 9A.04.110, or death of another person.

(4) Any jurisdiction establishing a therapeutic court shall endeavor to incorporate the therapeutic court principles of best practices as recognized by state and national therapeutic court organizations in structuring a particular program, which may include:

(a) Determining the population;

(b) Performing a clinical assessment;

(c) Developing the treatment plan;

(d) Monitoring the participant, including any appropriate testing;

(e) Forging agency, organization, and community partnerships;

(f) Taking a judicial leadership role;

- (g) Developing case management strategies;
- (h) Addressing transportation, housing, and subsistence issues;
- (i) Evaluating the program;
- (j) Ensuring a sustainable program.

(5) Upon a showing of indigence under RCW 10.101.010, fees may be reduced or waived.

(6) The (~~department of social and health services~~) health care authority shall furnish services to therapeutic courts addressing dependency matters where substance abuse or mental health are an issue unless the court contracts with providers outside of the (~~department~~) health care authority.

(7) Any jurisdiction that has established more than one therapeutic court under this chapter may combine the functions of these courts into a single therapeutic court.

(8) Nothing in this section prohibits a district or municipal court from ordering treatment or other conditions of sentence or probation following a conviction, without the consent of either the prosecutor or defendant.

(9) No therapeutic or specialty court may be established specifically for the purpose of applying foreign law, including foreign criminal, civil, or religious law, that is otherwise not required by treaty.

(10) No therapeutic or specialty court established by court rule shall enforce a foreign law, if doing so would violate a right guaranteed by the Constitution of this state or of the United States.

Sec. 9003. RCW 9.41.300 and 2011 c 221 s 2 are each amended to read as follows:

(1) It is unlawful for any person to enter the following places when he or she knowingly possesses or knowingly has under his or her control a weapon:

(a) The restricted access areas of a jail, or of a law enforcement facility, or any place used for the confinement of a person (i) arrested for, charged with, or convicted of an offense, (ii) held for extradition or as a material witness, or (iii) otherwise confined pursuant to an order of a court, except an order under chapter 13.32A or 13.34 RCW. Restricted access areas do not include common areas of egress or ingress open to the general public;

(b) Those areas in any building which are used in connection with court proceedings, including courtrooms, jury rooms, judge's chambers, offices and areas used to conduct court business, waiting areas, and corridors adjacent to areas used in connection with court proceedings. The restricted areas do not include common areas of ingress and egress to the building that is used in connection with court proceedings, when it is possible to protect court areas without restricting ingress and egress to the building. The restricted areas shall be the minimum necessary to fulfill the objective of this subsection (1)(b).

For purposes of this subsection (1)(b), "weapon" means any firearm, explosive as defined in RCW 70.74.010, or any weapon of the kind usually known as slung shot, sand club, or metal knuckles, or any knife, dagger, dirk, or other similar weapon that is capable of causing death or bodily injury and is commonly used with the intent to cause death or bodily injury.

In addition, the local legislative authority shall provide either a stationary locked box sufficient in size for pistols and key to a weapon owner for weapon storage, or shall designate an official to receive weapons for safekeeping, during the owner's visit to restricted areas of the building. The locked box or designated

official shall be located within the same building used in connection with court proceedings. The local legislative authority shall be liable for any negligence causing damage to or loss of a weapon either placed in a locked box or left with an official during the owner's visit to restricted areas of the building.

The local judicial authority shall designate and clearly mark those areas where weapons are prohibited, and shall post notices at each entrance to the building of the prohibition against weapons in the restricted areas;

(c) The restricted access areas of a public mental health facility licensed or certified by the department of (~~social and health services~~) health for inpatient hospital care and state institutions for the care of the mentally ill, excluding those facilities solely for evaluation and treatment. Restricted access areas do not include common areas of egress and ingress open to the general public;

(d) That portion of an establishment classified by the state liquor (~~control~~) and cannabis board as off-limits to persons under twenty-one years of age; or

(e) The restricted access areas of a commercial service airport designated in the airport security plan approved by the federal transportation security administration, including passenger screening checkpoints at or beyond the point at which a passenger initiates the screening process. These areas do not include airport drives, general parking areas and walkways, and shops and areas of the terminal that are outside the screening checkpoints and that are normally open to unscreened passengers or visitors to the airport. Any restricted access area shall be clearly indicated by prominent signs indicating that firearms and other weapons are prohibited in the area.

(2) Cities, towns, counties, and other municipalities may enact laws and ordinances:

(a) Restricting the discharge of firearms in any portion of their respective jurisdictions where there is a reasonable likelihood that humans, domestic animals, or property will be jeopardized. Such laws and ordinances shall not abridge the right of the individual guaranteed by Article I, section 24 of the state Constitution to bear arms in defense of self or others; and

(b) Restricting the possession of firearms in any stadium or convention center, operated by a city, town, county, or other municipality, except that such restrictions shall not apply to:

(i) Any pistol in the possession of a person licensed under RCW 9.41.070 or exempt from the licensing requirement by RCW 9.41.060; or

(ii) Any showing, demonstration, or lecture involving the exhibition of firearms.

(3)(a) Cities, towns, and counties may enact ordinances restricting the areas in their respective jurisdictions in which firearms may be sold, but, except as provided in (b) of this subsection, a business selling firearms may not be treated more restrictively than other businesses located within the same zone. An ordinance requiring the cessation of business within a zone shall not have a shorter grandfather period for businesses selling firearms than for any other businesses within the zone.

(b) Cities, towns, and counties may restrict the location of a business selling firearms to not less than five hundred feet from primary or secondary school grounds, if the business has a storefront, has hours during which it is open for business, and posts advertisements or signs observable to passersby that firearms are available for sale. A business selling firearms that exists as of the date a

restriction is enacted under this subsection (3)(b) shall be grandfathered according to existing law.

(4) Violations of local ordinances adopted under subsection (2) of this section must have the same penalty as provided for by state law.

(5) The perimeter of the premises of any specific location covered by subsection (1) of this section shall be posted at reasonable intervals to alert the public as to the existence of any law restricting the possession of firearms on the premises.

(6) Subsection (1) of this section does not apply to:

(a) A person engaged in military activities sponsored by the federal or state governments, while engaged in official duties;

(b) Law enforcement personnel, except that subsection (1)(b) of this section does apply to a law enforcement officer who is present at a courthouse building as a party to an action under chapter 10.14, 10.99, or 26.50 RCW, or an action under Title 26 RCW where any party has alleged the existence of domestic violence as defined in RCW 26.50.010; or

(c) Security personnel while engaged in official duties.

(7) Subsection (1)(a), (b), (c), and (e) of this section does not apply to correctional personnel or community corrections officers, as long as they are employed as such, who have completed government-sponsored law enforcement firearms training, except that subsection (1)(b) of this section does apply to a correctional employee or community corrections officer who is present at a courthouse building as a party to an action under chapter 10.14, 10.99, or 26.50 RCW, or an action under Title 26 RCW where any party has alleged the existence of domestic violence as defined in RCW 26.50.010.

(8) Subsection (1)(a) of this section does not apply to a person licensed pursuant to RCW 9.41.070 who, upon entering the place or facility, directly and promptly proceeds to the administrator of the facility or the administrator's designee and obtains written permission to possess the firearm while on the premises or checks his or her firearm. The person may reclaim the firearms upon leaving but must immediately and directly depart from the place or facility.

(9) Subsection (1)(c) of this section does not apply to any administrator or employee of the facility or to any person who, upon entering the place or facility, directly and promptly proceeds to the administrator of the facility or the administrator's designee and obtains written permission to possess the firearm while on the premises.

(10) Subsection (1)(d) of this section does not apply to the proprietor of the premises or his or her employees while engaged in their employment.

(11) Government-sponsored law enforcement firearms training must be training that correctional personnel and community corrections officers receive as part of their job requirement and reference to such training does not constitute a mandate that it be provided by the correctional facility.

(12) Any person violating subsection (1) of this section is guilty of a gross misdemeanor.

(13) "Weapon" as used in this section means any firearm, explosive as defined in RCW 70.74.010, or instrument or weapon listed in RCW 9.41.250.

Sec. 9004. RCW 9.94A.703 and 2015 c 81 s 3 are each amended to read as follows:

When a court sentences a person to a term of community custody, the court shall impose conditions of community custody as provided in this section.

(1) **Mandatory conditions.** As part of any term of community custody, the court shall:

(a) Require the offender to inform the department of court-ordered treatment upon request by the department;

(b) Require the offender to comply with any conditions imposed by the department under RCW 9.94A.704;

(c) If the offender was sentenced under RCW 9.94A.507 for an offense listed in RCW 9.94A.507(1)(a), and the victim of the offense was under eighteen years of age at the time of the offense, prohibit the offender from residing in a community protection zone;

(d) If the offender was sentenced under RCW 9A.36.120, prohibit the offender from serving in any paid or volunteer capacity where he or she has control or supervision of minors under the age of thirteen.

(2) **Waivable conditions.** Unless waived by the court, as part of any term of community custody, the court shall order an offender to:

(a) Report to and be available for contact with the assigned community corrections officer as directed;

(b) Work at department-approved education, employment, or community restitution, or any combination thereof;

(c) Refrain from possessing or consuming controlled substances except pursuant to lawfully issued prescriptions;

(d) Pay supervision fees as determined by the department; and

(e) Obtain prior approval of the department for the offender's residence location and living arrangements.

(3) **Discretionary conditions.** As part of any term of community custody, the court may order an offender to:

(a) Remain within, or outside of, a specified geographical boundary;

(b) Refrain from direct or indirect contact with the victim of the crime or a specified class of individuals;

(c) Participate in crime-related treatment or counseling services;

(d) Participate in rehabilitative programs or otherwise perform affirmative conduct reasonably related to the circumstances of the offense, the offender's risk of reoffending, or the safety of the community;

(e) Refrain from possessing or consuming alcohol; or

(f) Comply with any crime-related prohibitions.

(4) **Special conditions.**

(a) In sentencing an offender convicted of a crime of domestic violence, as defined in RCW 10.99.020, if the offender has a minor child, or if the victim of the offense for which the offender was convicted has a minor child, the court may order the offender to participate in a domestic violence perpetrator program approved under RCW 26.50.150.

(b)(i) In sentencing an offender convicted of an alcohol or drug-related traffic offense, the court shall require the offender to complete a diagnostic evaluation by ~~((an alcohol or drug dependency agency))~~ a substance use disorder treatment program approved by the department of social and health services or a qualified probation department, defined under RCW 46.61.516, that has been approved by the department of social and health services. If the offense was

pursuant to chapter 46.61 RCW, the report shall be forwarded to the department of licensing. If the offender is found to have an alcohol or drug problem that requires treatment, the offender shall complete treatment in ~~((a program approved by the department of social and health services under chapter 70.96A RCW))~~ an approved substance use disorder treatment program as defined in chapter 71.24 RCW. If the offender is found not to have an alcohol or drug problem that requires treatment, the offender shall complete a course in an alcohol and drug information school ~~((approved))~~ licensed or certified by the department of ~~((social and health services))~~ health under chapter 70.96A RCW. The offender shall pay all costs for any evaluation, education, or treatment required by this section, unless the offender is eligible for an existing program offered or approved by the department of social and health services.

(ii) For purposes of this section, "alcohol or drug-related traffic offense" means the following: Driving while under the influence as defined by RCW 46.61.502, actual physical control while under the influence as defined by RCW 46.61.504, vehicular homicide as defined by RCW 46.61.520(1)(a), vehicular assault as defined by RCW 46.61.522(1)(b), homicide by watercraft as defined by RCW 79A.60.050, or assault by watercraft as defined by RCW 79A.60.060.

(iii) This subsection (4)(b) does not require the department of social and health services to add new treatment or assessment facilities nor affect its use of existing programs and facilities authorized by law.

Sec. 9005. RCW 10.05.040 and 2002 c 219 s 9 are each amended to read as follows:

The ~~((facility))~~ program to which such person is referred, or the department of social and health services if the petition is brought under RCW 10.05.020(2), shall conduct an investigation and examination to determine:

- (1) Whether the person suffers from the problem described;
- (2) Whether the problem is such that if not treated, or if no child welfare services are provided, there is a probability that similar misconduct will occur in the future;
- (3) Whether extensive and long term treatment is required;
- (4) Whether effective treatment or child welfare services for the person's problem are available; and
- (5) Whether the person is amenable to treatment or willing to cooperate with child welfare services.

Sec. 9006. RCW 10.05.050 and 2002 c 219 s 10 are each amended to read as follows:

(1) The ~~((facility))~~ program, or the department of social and health services if the petition is brought under RCW 10.05.020(2), shall make a written report to the court stating its findings and recommendations after the examination required by RCW 10.05.040. If its findings and recommendations support treatment or the implementation of a child welfare service plan, it shall also recommend a treatment or service plan setting out:

- (a) The type;
- (b) Nature;
- (c) Length;
- (d) A treatment or service time schedule; and
- (e) Approximate cost of the treatment or child welfare services.

(2) In the case of a child welfare service plan, the plan shall be designed in a manner so that a parent who successfully completes the plan will not be likely to withhold the basic necessities of life from his or her child.

(3) The report with the treatment or service plan shall be filed with the court and a copy given to the petitioner and petitioner's counsel. A copy of the treatment or service plan shall be given to the prosecutor by petitioner's counsel at the request of the prosecutor. The evaluation facility, or the department of social and health services if the petition is brought under RCW 10.05.020(2), making the written report shall append to the report a commitment by the treatment (~~(facility)~~) program or the department of social and health services that it will provide the treatment or child welfare services in accordance with this chapter. The facility or the service provider shall agree to provide the court with a statement every three months for the first year and every six months for the second year regarding (a) the petitioner's cooperation with the treatment or child welfare service plan proposed and (b) the petitioner's progress or failure in treatment or child welfare services. These statements shall be made as a declaration by the person who is personally responsible for providing the treatment or services.

Sec. 9007. RCW 18.205.080 and 1998 c 243 s 8 are each amended to read as follows:

(1) The secretary shall appoint a chemical dependency certification advisory committee to further the purposes of this chapter. The committee shall be composed of seven members, one member initially appointed for a term of one year, three for a term of two years, and three for a term of three years. Subsequent appointments shall be for terms of three years. No person may serve as a member of the committee for more than two consecutive terms. Members of the committee shall be residents of this state. The committee shall be composed of four certified chemical dependency professionals; one chemical dependency treatment program director; one physician licensed under chapter 18.71 or 18.57 RCW who is certified in addiction medicine or a licensed or certified mental health practitioner; and one member of the public who has received chemical dependency counseling.

(2) The secretary may remove any member of the committee for cause as specified by rule. In the case of a vacancy, the secretary shall appoint a person to serve for the remainder of the unexpired term.

(3) The committee shall meet at the times and places designated by the secretary and shall hold meetings during the year as necessary to provide advice to the director. The committee may elect a chair and a vice chair. A majority of the members currently serving shall constitute a quorum.

(4) Each member of the committee shall be reimbursed for travel expenses as authorized in RCW 43.03.050 and 43.03.060. In addition, members of the committee shall be compensated in accordance with RCW 43.03.240 when engaged in the authorized business of the committee.

(5) The director of the (~~department of social and health services division of alcohol and substance abuse or the director's~~) health care authority, or his or her designee, shall serve as an ex officio member of the committee.

(6) The secretary, members of the committee, or individuals acting on their behalf are immune from suit in any action, civil or criminal, based on any

certification or disciplinary proceedings or other official acts performed in the course of their duties.

Sec. 9008. RCW 18.88A.020 and 2015 c 158 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) "Alternative training" means a nursing assistant-certified program meeting criteria adopted by the commission under RCW 18.88A.087 to meet the requirements of a state-approved nurse aide competency evaluation program consistent with 42 U.S.C. Sec. 1395i-3(e) and (f) of the federal social security act.

(2) "Approved training program" means a nursing assistant-certified training program approved by the commission to meet the requirements of a state-approved nurse aide training and competency evaluation program consistent with 42 U.S.C. Sec. 1395i-3(e) and (f) of the federal social security act. For community college, vocational-technical institutes, skill centers, and secondary school as defined in chapter 28B.50 RCW, nursing assistant-certified training programs shall be approved by the commission in cooperation with the board for community and technical colleges or the superintendent of public instruction.

(3) "Commission" means the Washington nursing care quality assurance commission.

(4) "Competency evaluation" means the measurement of an individual's knowledge and skills as related to safe, competent performance as a nursing assistant.

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

(6) "Health care facility" means a nursing home, hospital licensed under chapter 70.41 or 71.12 RCW, hospice care facility, home health care agency, hospice agency, licensed or certified service provider under chapter 71.24 RCW other than an individual health care provider, or other entity for delivery of health care services as defined by the commission.

(7) "Medication assistant" means a nursing assistant-certified with a medication assistant endorsement issued under RCW 18.88A.082 who is authorized, in addition to his or her duties as a nursing assistant-certified, to administer certain medications and perform certain treatments in a nursing home under the supervision of a registered nurse under RCW 18.88A.082.

(8) "Nursing assistant" means an individual, regardless of title, who, under the direction and supervision of a registered nurse or licensed practical nurse, assists in the delivery of nursing and nursing-related activities to patients in a health care facility. The two levels of nursing assistants are:

(a) "Nursing assistant-certified," an individual certified under this chapter; and

(b) "Nursing assistant-registered," an individual registered under this chapter.

(9) "Nursing home" means a nursing home licensed under chapter 18.51 RCW.

(10) "Secretary" means the secretary of health.

Sec. 9009. RCW 46.61.5055 and 2017 c 336 s 6 and 2017 c 335 s 3 are each reenacted and amended to read as follows:

(1) **No prior offenses in seven years.** Except as provided in RCW 46.61.502(6) or 46.61.504(6), a person who is convicted of a violation of RCW 46.61.502 or 46.61.504 and who has no prior offense within seven years shall be punished as follows:

(a) **Penalty for alcohol concentration less than 0.15.** In the case of a person whose alcohol concentration was less than 0.15, or for whom for reasons other than the person's refusal to take a test offered pursuant to RCW 46.20.308 there is no test result indicating the person's alcohol concentration:

(i) By imprisonment for not less than one day nor more than three hundred sixty-four days. Twenty-four consecutive hours of the imprisonment may not be suspended unless the court finds that the imposition of this mandatory minimum sentence would impose a substantial risk to the offender's physical or mental well-being. Whenever the mandatory minimum sentence is suspended, the court shall state in writing the reason for granting the suspension and the facts upon which the suspension is based. In lieu of the mandatory minimum term of imprisonment required under this subsection (1)(a)(i), the court may order not less than fifteen days of electronic home monitoring or a ninety-day period of 24/7 sobriety program monitoring. The court may consider the offender's pretrial 24/7 sobriety program monitoring as fulfilling a portion of posttrial sentencing. The offender shall pay the cost of electronic home monitoring. The county or municipality in which the penalty is being imposed shall determine the cost. The court may also require the offender's electronic home monitoring device or other separate alcohol monitoring device to include an alcohol detection breathalyzer, and the court may restrict the amount of alcohol the offender may consume during the time the offender is on electronic home monitoring; and

(ii) By a fine of not less than three hundred fifty dollars nor more than five thousand dollars. Three hundred fifty dollars of the fine may not be suspended unless the court finds the offender to be indigent; or

(b) **Penalty for alcohol concentration at least 0.15.** In the case of a person whose alcohol concentration was at least 0.15, or for whom by reason of the person's refusal to take a test offered pursuant to RCW 46.20.308 there is no test result indicating the person's alcohol concentration:

(i) By imprisonment for not less than two days nor more than three hundred sixty-four days. Forty-eight consecutive hours of the imprisonment may not be suspended unless the court finds that the imposition of this mandatory minimum sentence would impose a substantial risk to the offender's physical or mental well-being. Whenever the mandatory minimum sentence is suspended, the court shall state in writing the reason for granting the suspension and the facts upon which the suspension is based. In lieu of the mandatory minimum term of imprisonment required under this subsection (1)(b)(i), the court may order not less than thirty days of electronic home monitoring or a one hundred twenty day period of 24/7 sobriety program monitoring. The court may consider the offender's pretrial 24/7 sobriety program testing as fulfilling a portion of posttrial sentencing. The offender shall pay the cost of electronic home monitoring. The county or municipality in which the penalty is being imposed shall determine the cost. The court may also require the offender's electronic home monitoring device to include an alcohol detection breathalyzer or other separate alcohol

monitoring device, and the court may restrict the amount of alcohol the offender may consume during the time the offender is on electronic home monitoring; and

(ii) By a fine of not less than five hundred dollars nor more than five thousand dollars. Five hundred dollars of the fine may not be suspended unless the court finds the offender to be indigent.

(2) **One prior offense in seven years.** Except as provided in RCW 46.61.502(6) or 46.61.504(6), a person who is convicted of a violation of RCW 46.61.502 or 46.61.504 and who has one prior offense within seven years shall be punished as follows:

(a) **Penalty for alcohol concentration less than 0.15.** In the case of a person whose alcohol concentration was less than 0.15, or for whom for reasons other than the person's refusal to take a test offered pursuant to RCW 46.20.308 there is no test result indicating the person's alcohol concentration:

(i) By imprisonment for not less than thirty days nor more than three hundred sixty-four days and sixty days of electronic home monitoring. In lieu of the mandatory term of imprisonment and electronic home monitoring under this subsection (2)(a)(i), the court may order a minimum of four days in jail and either one hundred eighty days of electronic home monitoring or a one hundred twenty-day period of 24/7 sobriety program monitoring pursuant to RCW 36.28A.300 through 36.28A.390. The court may consider the offender's pretrial 24/7 sobriety program monitoring as fulfilling a portion of posttrial sentencing. The court shall order an expanded alcohol assessment and treatment, if deemed appropriate by the assessment. The offender shall pay for the cost of the electronic monitoring. The county or municipality where the penalty is being imposed shall determine the cost. The court may also require the offender's electronic home monitoring device include an alcohol detection breathalyzer or other separate alcohol monitoring device, and may restrict the amount of alcohol the offender may consume during the time the offender is on electronic home monitoring. Thirty days of imprisonment and sixty days of electronic home monitoring may not be suspended unless the court finds that the imposition of this mandatory minimum sentence would impose a substantial risk to the offender's physical or mental well-being. Whenever the mandatory minimum sentence is suspended, the court shall state in writing the reason for granting the suspension and the facts upon which the suspension is based; and

(ii) By a fine of not less than five hundred dollars nor more than five thousand dollars. Five hundred dollars of the fine may not be suspended unless the court finds the offender to be indigent; or

(b) **Penalty for alcohol concentration at least 0.15.** In the case of a person whose alcohol concentration was at least 0.15, or for whom by reason of the person's refusal to take a test offered pursuant to RCW 46.20.308 there is no test result indicating the person's alcohol concentration:

(i) By imprisonment for not less than forty-five days nor more than three hundred sixty-four days and ninety days of electronic home monitoring. In lieu of the mandatory minimum term of imprisonment and electronic home monitoring under this subsection (2)(b)(i), the court may order a minimum of six days in jail and either six months of electronic home monitoring or a one hundred twenty-day period of 24/7 sobriety program monitoring pursuant to RCW 36.28A.300 through 36.28A.390. The court may consider the offender's pretrial 24/7 sobriety program monitoring as fulfilling a portion of posttrial

sentencing. The court shall order an expanded alcohol assessment and treatment, if deemed appropriate by the assessment. The offender shall pay for the cost of the electronic monitoring. The county or municipality where the penalty is being imposed shall determine the cost. The court may also require the offender's electronic home monitoring device include an alcohol detection breathalyzer or other separate alcohol monitoring device, and may restrict the amount of alcohol the offender may consume during the time the offender is on electronic home monitoring. Forty-five days of imprisonment and ninety days of electronic home monitoring may not be suspended unless the court finds that the imposition of this mandatory minimum sentence would impose a substantial risk to the offender's physical or mental well-being. Whenever the mandatory minimum sentence is suspended, the court shall state in writing the reason for granting the suspension and the facts upon which the suspension is based; and

(ii) By a fine of not less than seven hundred fifty dollars nor more than five thousand dollars. Seven hundred fifty dollars of the fine may not be suspended unless the court finds the offender to be indigent.

(3) **Two prior offenses in seven years.** Except as provided in RCW 46.61.502(6) or 46.61.504(6), a person who is convicted of a violation of RCW 46.61.502 or 46.61.504 and who has two prior offenses within seven years shall be punished as follows:

(a) **Penalty for alcohol concentration less than 0.15.** In the case of a person whose alcohol concentration was less than 0.15, or for whom for reasons other than the person's refusal to take a test offered pursuant to RCW 46.20.308 there is no test result indicating the person's alcohol concentration:

(i) By imprisonment for not less than ninety days nor more than three hundred sixty-four days, if available in that county or city, a six-month period of 24/7 sobriety program monitoring pursuant to RCW 36.28A.300 through 36.28A.390, and one hundred twenty days of electronic home monitoring. In lieu of the mandatory minimum term of one hundred twenty days of electronic home monitoring, the court may order at least an additional eight days in jail. The court shall order an expanded alcohol assessment and treatment, if deemed appropriate by the assessment. The offender shall pay for the cost of the electronic monitoring. The county or municipality where the penalty is being imposed shall determine the cost. The court may also require the offender's electronic home monitoring device include an alcohol detection breathalyzer or other separate alcohol monitoring device, and may restrict the amount of alcohol the offender may consume during the time the offender is on electronic home monitoring. Ninety days of imprisonment and one hundred twenty days of electronic home monitoring may not be suspended unless the court finds that the imposition of this mandatory minimum sentence would impose a substantial risk to the offender's physical or mental well-being. Whenever the mandatory minimum sentence is suspended, the court shall state in writing the reason for granting the suspension and the facts upon which the suspension is based; and

(ii) By a fine of not less than one thousand dollars nor more than five thousand dollars. One thousand dollars of the fine may not be suspended unless the court finds the offender to be indigent; or

(b) **Penalty for alcohol concentration at least 0.15.** In the case of a person whose alcohol concentration was at least 0.15, or for whom by reason of the

person's refusal to take a test offered pursuant to RCW 46.20.308 there is no test result indicating the person's alcohol concentration:

(i) By imprisonment for not less than one hundred twenty days nor more than three hundred sixty-four days, if available in that county or city, a six-month period of 24/7 sobriety program monitoring pursuant to RCW 36.28A.300 through 36.28A.390, and one hundred fifty days of electronic home monitoring. In lieu of the mandatory minimum term of one hundred fifty days of electronic home monitoring, the court may order at least an additional ten days in jail. The offender shall pay for the cost of the electronic monitoring. The court shall order an expanded alcohol assessment and treatment, if deemed appropriate by the assessment. The county or municipality where the penalty is being imposed shall determine the cost. The court may also require the offender's electronic home monitoring device include an alcohol detection breathalyzer or other separate alcohol monitoring device, and may restrict the amount of alcohol the offender may consume during the time the offender is on electronic home monitoring. One hundred twenty days of imprisonment and one hundred fifty days of electronic home monitoring may not be suspended unless the court finds that the imposition of this mandatory minimum sentence would impose a substantial risk to the offender's physical or mental well-being. Whenever the mandatory minimum sentence is suspended, the court shall state in writing the reason for granting the suspension and the facts upon which the suspension is based; and

(ii) By a fine of not less than one thousand five hundred dollars nor more than five thousand dollars. One thousand five hundred dollars of the fine may not be suspended unless the court finds the offender to be indigent.

(4) **Three or more prior offenses in ten years.** A person who is convicted of a violation of RCW 46.61.502 or 46.61.504 shall be punished under chapter 9.94A RCW if:

(a) The person has three or more prior offenses within ten years; or

(b) The person has ever previously been convicted of:

(i) A violation of RCW 46.61.520 committed while under the influence of intoxicating liquor or any drug;

(ii) A violation of RCW 46.61.522 committed while under the influence of intoxicating liquor or any drug;

(iii) An out-of-state offense comparable to the offense specified in (b)(i) or (ii) of this subsection; or

(iv) A violation of RCW 46.61.502(6) or 46.61.504(6).

(5) **Monitoring.** (a) **Ignition interlock device.** The court shall require any person convicted of a violation of RCW 46.61.502 or 46.61.504 or an equivalent local ordinance to comply with the rules and requirements of the department regarding the installation and use of a functioning ignition interlock device installed on all motor vehicles operated by the person.

(b) **Monitoring devices.** If the court orders that a person refrain from consuming any alcohol, the court may order the person to submit to alcohol monitoring through an alcohol detection breathalyzer device, transdermal sensor device, or other technology designed to detect alcohol in a person's system. The person shall pay for the cost of the monitoring, unless the court specifies that the cost of monitoring will be paid with funds that are available from an alternative source identified by the court. The county or municipality where the penalty is being imposed shall determine the cost.

(c) **24/7 sobriety program monitoring.** In any county or city where a 24/7 sobriety program is available and verified by the Washington association of sheriffs and police chiefs, the court shall:

(i) Order the person to install and use a functioning ignition interlock or other device in lieu of such period of 24/7 sobriety program monitoring;

(ii) Order the person to a period of 24/7 sobriety program monitoring pursuant to subsections (1) through (3) of this section; or

(iii) Order the person to install and use a functioning ignition interlock or other device in addition to a period of 24/7 sobriety program monitoring pursuant to subsections (1) through (3) of this section.

(6) **Penalty for having a minor passenger in vehicle.** If a person who is convicted of a violation of RCW 46.61.502 or 46.61.504 committed the offense while a passenger under the age of sixteen was in the vehicle, the court shall:

(a) Order the use of an ignition interlock or other device for an additional six months;

(b) In any case in which the person has no prior offenses within seven years, and except as provided in RCW 46.61.502(6) or 46.61.504(6), order an additional twenty-four hours of imprisonment and a fine of not less than one thousand dollars and not more than five thousand dollars. One thousand dollars of the fine may not be suspended unless the court finds the offender to be indigent;

(c) In any case in which the person has one prior offense within seven years, and except as provided in RCW 46.61.502(6) or 46.61.504(6), order an additional five days of imprisonment and a fine of not less than two thousand dollars and not more than five thousand dollars. One thousand dollars of the fine may not be suspended unless the court finds the offender to be indigent;

(d) In any case in which the person has two prior offenses within seven years, and except as provided in RCW 46.61.502(6) or 46.61.504(6), order an additional ten days of imprisonment and a fine of not less than three thousand dollars and not more than ten thousand dollars. One thousand dollars of the fine may not be suspended unless the court finds the offender to be indigent.

(7) **Other items courts must consider while setting penalties.** In exercising its discretion in setting penalties within the limits allowed by this section, the court shall particularly consider the following:

(a) Whether the person's driving at the time of the offense was responsible for injury or damage to another or another's property;

(b) Whether at the time of the offense the person was driving or in physical control of a vehicle with one or more passengers;

(c) Whether the driver was driving in the opposite direction of the normal flow of traffic on a multiple lane highway, as defined by RCW 46.04.350, with a posted speed limit of forty-five miles per hour or greater; and

(d) Whether a child passenger under the age of sixteen was an occupant in the driver's vehicle.

(8) **Treatment and information school.** An offender punishable under this section is subject to the alcohol assessment and treatment provisions of RCW 46.61.5056.

(9) **Driver's license privileges of the defendant.** The license, permit, or nonresident privilege of a person convicted of driving or being in physical

control of a motor vehicle while under the influence of intoxicating liquor or drugs must:

(a) **Penalty for alcohol concentration less than 0.15.** If the person's alcohol concentration was less than 0.15, or if for reasons other than the person's refusal to take a test offered under RCW 46.20.308 there is no test result indicating the person's alcohol concentration:

(i) Where there has been no prior offense within seven years, be suspended or denied by the department for ninety days or until the person is evaluated by an alcoholism agency or probation department pursuant to RCW 46.20.311 and the person completes or is enrolled in a ninety-day period of 24/7 sobriety program monitoring. In no circumstances shall the license suspension be for fewer than two days;

(ii) Where there has been one prior offense within seven years, be revoked or denied by the department for two years or until the person is evaluated by an alcoholism agency or probation department pursuant to RCW 46.20.311 and the person completes or is enrolled in a six-month period of 24/7 sobriety program monitoring. In no circumstances shall the license suspension be for less than one year; or

(iii) Where there have been two or more prior offenses within seven years, be revoked or denied by the department for three years;

(b) **Penalty for alcohol concentration at least 0.15.** If the person's alcohol concentration was at least 0.15:

(i) Where there has been no prior offense within seven years, be revoked or denied by the department for one year or until the person is evaluated by an alcoholism agency or probation department pursuant to RCW 46.20.311 and the person completes or is enrolled in a one hundred twenty day period of 24/7 sobriety program monitoring. In no circumstances shall the license revocation be for fewer than four days;

(ii) Where there has been one prior offense within seven years, be revoked or denied by the department for nine hundred days; or

(iii) Where there have been two or more prior offenses within seven years, be revoked or denied by the department for four years; or

(c) **Penalty for refusing to take test.** If by reason of the person's refusal to take a test offered under RCW 46.20.308, there is no test result indicating the person's alcohol concentration:

(i) Where there have been no prior offenses within seven years, be revoked or denied by the department for two years;

(ii) Where there has been one prior offense within seven years, be revoked or denied by the department for three years; or

(iii) Where there have been two or more previous offenses within seven years, be revoked or denied by the department for four years.

The department shall grant credit on a day-for-day basis for any portion of a suspension, revocation, or denial already served under this subsection for a suspension, revocation, or denial imposed under RCW 46.20.3101 arising out of the same incident.

Upon receipt of a notice from the court under RCW 36.28A.390 that a participant has been removed from a 24/7 sobriety program, the department must resume any suspension, revocation, or denial that had been terminated early under this subsection due to participation in the program, granting credit on a

day-for-day basis for any portion of a suspension, revocation, or denial already served under RCW 46.20.3101 or this section arising out of the same incident.

Upon its own motion or upon motion by a person, a court may find, on the record, that notice to the department under RCW 46.20.270 has been delayed for three years or more as a result of a clerical or court error. If so, the court may order that the person's license, permit, or nonresident privilege shall not be revoked, suspended, or denied for that offense. The court shall send notice of the finding and order to the department and to the person. Upon receipt of the notice from the court, the department shall not revoke, suspend, or deny the license, permit, or nonresident privilege of the person for that offense.

For purposes of this subsection (9), the department shall refer to the driver's record maintained under RCW 46.52.120 when determining the existence of prior offenses.

(10) Probation of driving privilege. After expiration of any period of suspension, revocation, or denial of the offender's license, permit, or privilege to drive required by this section, the department shall place the offender's driving privilege in probationary status pursuant to RCW 46.20.355.

(11) Conditions of probation. (a) In addition to any nonsuspendable and nondeferable jail sentence required by this section, whenever the court imposes up to three hundred sixty-four days in jail, the court shall also suspend but shall not defer a period of confinement for a period not exceeding five years. The court shall impose conditions of probation that include: (i) Not driving a motor vehicle within this state without a valid license to drive; (ii) not driving a motor vehicle within this state without proof of liability insurance or other financial responsibility for the future pursuant to RCW 46.30.020; (iii) not driving or being in physical control of a motor vehicle within this state while having an alcohol concentration of 0.08 or more or a THC concentration of 5.00 nanograms per milliliter of whole blood or higher, within two hours after driving; (iv) not refusing to submit to a test of his or her breath or blood to determine alcohol or drug concentration upon request of a law enforcement officer who has reasonable grounds to believe the person was driving or was in actual physical control of a motor vehicle within this state while under the influence of intoxicating liquor or drug; and (v) not driving a motor vehicle in this state without a functioning ignition interlock device as required by the department under RCW 46.20.720. The court may impose conditions of probation that include nonrepetition, installation of an ignition interlock device on the probationer's motor vehicle, alcohol or drug treatment, supervised probation, or other conditions that may be appropriate. The sentence may be imposed in whole or in part upon violation of a condition of probation during the suspension period.

(b) For each violation of mandatory conditions of probation under (a)(i), (ii), (iii), (iv), or (v) of this subsection, the court shall order the convicted person to be confined for thirty days, which shall not be suspended or deferred.

(c) For each incident involving a violation of a mandatory condition of probation imposed under this subsection, the license, permit, or privilege to drive of the person shall be suspended by the court for thirty days or, if such license, permit, or privilege to drive already is suspended, revoked, or denied at the time the finding of probation violation is made, the suspension, revocation, or denial then in effect shall be extended by thirty days. The court shall notify

the department of any suspension, revocation, or denial or any extension of a suspension, revocation, or denial imposed under this subsection.

(12) **Waiver of electronic home monitoring.** A court may waive the electronic home monitoring requirements of this chapter when:

(a) The offender does not have a dwelling, telephone service, or any other necessity to operate an electronic home monitoring system. However, if a court determines that an alcohol monitoring device utilizing wireless reporting technology is reasonably available, the court may require the person to obtain such a device during the period of required electronic home monitoring;

(b) The offender does not reside in the state of Washington; or

(c) The court determines that there is reason to believe that the offender would violate the conditions of the electronic home monitoring penalty.

Whenever the mandatory minimum term of electronic home monitoring is waived, the court shall state in writing the reason for granting the waiver and the facts upon which the waiver is based, and shall impose an alternative sentence with similar punitive consequences. The alternative sentence may include, but is not limited to, use of an ignition interlock device, the 24/7 sobriety program monitoring, additional jail time, work crew, or work camp.

Whenever the combination of jail time and electronic home monitoring or alternative sentence would exceed three hundred sixty-four days, the offender shall serve the jail portion of the sentence first, and the electronic home monitoring or alternative portion of the sentence shall be reduced so that the combination does not exceed three hundred sixty-four days.

(13) **Extraordinary medical placement.** An offender serving a sentence under this section, whether or not a mandatory minimum term has expired, may be granted an extraordinary medical placement by the jail administrator subject to the standards and limitations set forth in RCW 9.94A.728(1)(c).

(14) **Definitions.** For purposes of this section and RCW 46.61.502 and 46.61.504:

(a) A "prior offense" means any of the following:

(i) A conviction for a violation of RCW 46.61.502 or an equivalent local ordinance;

(ii) A conviction for a violation of RCW 46.61.504 or an equivalent local ordinance;

(iii) A conviction for a violation of RCW 46.25.110 or an equivalent local ordinance;

(iv) A conviction for a violation of RCW 79A.60.040(2) or an equivalent local ordinance;

(v) A conviction for a violation of RCW 79A.60.040(1) or an equivalent local ordinance committed in a reckless manner if the conviction is the result of a charge that was originally filed as a violation of RCW 79A.60.040(2) or an equivalent local ordinance;

(vi) A conviction for a violation of RCW 47.68.220 or an equivalent local ordinance committed while under the influence of intoxicating liquor or any drug;

(vii) A conviction for a violation of RCW 47.68.220 or an equivalent local ordinance committed in a careless or reckless manner if the conviction is the result of a charge that was originally filed as a violation of RCW 47.68.220 or an

equivalent local ordinance while under the influence of intoxicating liquor or any drug;

(viii) A conviction for a violation of RCW 46.09.470(2) or an equivalent local ordinance;

(ix) A conviction for a violation of RCW 46.10.490(2) or an equivalent local ordinance;

(x) A conviction for a violation of RCW 46.61.520 committed while under the influence of intoxicating liquor or any drug, or a conviction for a violation of RCW 46.61.520 committed in a reckless manner or with the disregard for the safety of others if the conviction is the result of a charge that was originally filed as a violation of RCW 46.61.520 committed while under the influence of intoxicating liquor or any drug;

(xi) A conviction for a violation of RCW 46.61.522 committed while under the influence of intoxicating liquor or any drug, or a conviction for a violation of RCW 46.61.522 committed in a reckless manner or with the disregard for the safety of others if the conviction is the result of a charge that was originally filed as a violation of RCW 46.61.522 committed while under the influence of intoxicating liquor or any drug;

(xii) A conviction for a violation of RCW 46.61.5249, 46.61.500, or 9A.36.050 or an equivalent local ordinance, if the conviction is the result of a charge that was originally filed as a violation of RCW 46.61.502 or 46.61.504, or an equivalent local ordinance, or of RCW 46.61.520 or 46.61.522;

(xiii) An out-of-state conviction for a violation that would have been a violation of (a)(i), (ii), (x), (xi), or (xii) of this subsection if committed in this state;

(xiv) A deferred prosecution under chapter 10.05 RCW granted in a prosecution for a violation of RCW 46.61.502, 46.61.504, or an equivalent local ordinance;

(xv) A deferred prosecution under chapter 10.05 RCW granted in a prosecution for a violation of RCW 46.61.5249, or an equivalent local ordinance, if the charge under which the deferred prosecution was granted was originally filed as a violation of RCW 46.61.502 or 46.61.504, or an equivalent local ordinance, or of RCW 46.61.520 or 46.61.522;

(xvi) A deferred prosecution granted in another state for a violation of driving or having physical control of a vehicle while under the influence of intoxicating liquor or any drug if the out-of-state deferred prosecution is equivalent to the deferred prosecution under chapter 10.05 RCW, including a requirement that the defendant participate in a chemical dependency treatment program; or

(xvii) A deferred sentence imposed in a prosecution for a violation of RCW 46.61.5249, 46.61.500, or 9A.36.050, or an equivalent local ordinance, if the charge under which the deferred sentence was imposed was originally filed as a violation of RCW 46.61.502 or 46.61.504, or an equivalent local ordinance, or a violation of RCW 46.61.520 or 46.61.522;

If a deferred prosecution is revoked based on a subsequent conviction for an offense listed in this subsection (14)(a), the subsequent conviction shall not be treated as a prior offense of the revoked deferred prosecution for the purposes of sentencing;

(b) "Treatment" means substance use disorder treatment (~~(approved)~~) licensed or certified by the department of (~~(social and health services))~~ health;

(c) "Within seven years" means that the arrest for a prior offense occurred within seven years before or after the arrest for the current offense; and

(d) "Within ten years" means that the arrest for a prior offense occurred within ten years before or after the arrest for the current offense.

(15) All fines imposed by this section apply to adult offenders only.

Sec. 9010. RCW 46.61.5056 and 2016 sp.s. c 29 s 531 are each amended to read as follows:

(1) A person subject to alcohol assessment and treatment under RCW 46.61.5055 shall be required by the court to complete a course in an alcohol and drug information school (~~(approved)~~) licensed or certified by the department of (~~(social and))~~ health (~~(services))~~ or to complete more intensive treatment in a substance use disorder treatment program (~~(approved)~~) licensed or certified by the department of (~~(social and))~~ health (~~(services))~~, as determined by the court. The court shall notify the department of licensing whenever it orders a person to complete a course or treatment program under this section.

(2) A diagnostic evaluation and treatment recommendation shall be prepared under the direction of the court by (~~(an alcoholism agency approved))~~ a substance use disorder treatment program licensed or certified by the department of (~~(social and))~~ health (~~(services))~~ or a qualified probation department approved by the department of social and health services. A copy of the report shall be forwarded to the court and the department of licensing. Based on the diagnostic evaluation, the court shall determine whether the person shall be required to complete a course in an alcohol and drug information school (~~(approved)~~) licensed or certified by the department of (~~(social and))~~ health (~~(services))~~ or more intensive treatment in (~~(a))~~ an approved substance use disorder treatment program (~~(approved)~~) licensed or certified by the department of (~~(social and))~~ health (~~(services))~~.

(3) Standards for approval for alcohol treatment programs shall be prescribed by the department of (~~(social and))~~ health (~~(services))~~. The department of (~~(social and))~~ health (~~(services))~~ shall periodically review the costs of alcohol and drug information schools and treatment programs.

(4) Any agency that provides treatment ordered under RCW 46.61.5055, shall immediately report to the appropriate probation department where applicable, otherwise to the court, and to the department of licensing any noncompliance by a person with the conditions of his or her ordered treatment. The court shall notify the department of licensing and the department of (~~(social and))~~ health (~~(services))~~ of any failure by an agency to so report noncompliance. Any agency with knowledge of noncompliance that fails to so report shall be fined two hundred fifty dollars by the department of (~~(social and))~~ health (~~(services))~~. Upon three such failures by an agency within one year, the department of (~~(social and))~~ health (~~(services))~~ shall revoke the agency's (~~(approval))~~ license or certification under this section.

(5) The department of licensing and the department of (~~(social and))~~ health (~~(services))~~ may adopt such rules as are necessary to carry out this section.

Sec. 9011. RCW 72.09.350 and 2014 c 225 s 94 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 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 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 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, the health care authority, behavioral health organizations, local and regional law enforcement agencies, the sentencing guidelines commission, county and city jails, mental health advocacy groups for 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 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

(1) 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 offenders with mental illness into the community and the prevention of inappropriate incarceration of persons with mental illness.

(2) The corrections mental health center may conduct research, training, and treatment activities for the 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 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. 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. 9012. RCW 72.09.370 and 2016 sp.s. c 29 s 427 are each 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))~~ health care authority, 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 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 crisis responder, 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 crisis responder is needed. If an evaluation is recommended, the supporting documentation shall be immediately forwarded to the appropriate designated crisis responder. 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 crisis responder 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 crisis responder 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 crisis responder 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 crisis responder 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. 9013. RCW 72.09.380 and 1999 c 214 s 3 are each amended to read as follows:

The ~~((secretaries))~~ secretary of the department of corrections and the ~~((department of social and health services))~~ director of the health care authority shall adopt rules and develop working agreements which will ensure that offenders identified under RCW 72.09.370(1) will be assisted in making

application for medicaid to facilitate a decision regarding their eligibility for such entitlements prior to the end of their term of confinement in a correctional facility.

Sec. 9014. RCW 72.09.381 and 2014 c 225 s 96 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~~) director of the health care authority shall, in consultation with the behavioral health organizations and provider representatives, each adopt rules as necessary to implement chapter 214, Laws of 1999.

Sec. 9015. RCW 72.09.585 and 2013 c 200 s 32 are each amended to read as follows:

(1) When the department is determining an offender's risk management level, the department shall inquire of the offender and shall be told whether the offender is subject to court-ordered treatment for mental health services or chemical dependency services. The department shall request and the offender shall provide an authorization to release information form that meets applicable state and federal requirements and shall provide the offender with written notice that the department will request the offender's mental health and substance (~~abuse~~) use disorder treatment information. An offender's failure to inform the department of court-ordered treatment is a violation of the conditions of supervision if the offender is in the community and an infraction if the offender is in confinement, and the violation or infraction is subject to sanctions.

(2) When an offender discloses that he or she is subject to court-ordered mental health services or chemical dependency treatment, the department shall provide the mental health services provider or chemical dependency treatment provider with a written request for information and any necessary authorization to release information forms. The written request shall comply with rules adopted by the (~~department of social and health services~~) health care authority or protocols developed jointly by the department and the (~~department of social and health services~~) health care authority. A single request shall be valid for the duration of the offender's supervision in the community. Disclosures of information related to mental health services made pursuant to a department request shall not require consent of the offender.

(3) The information received by the department under RCW 71.05.445 or 70.02.250 may be released to the indeterminate sentence review board as relevant to carry out its responsibility of planning and ensuring community protection with respect to persons under its jurisdiction. Further disclosure by the indeterminate sentence review board is subject to the limitations set forth in subsections (5) and (6) of this section and must be consistent with the written policy of the indeterminate sentence review board. The decision to disclose or not shall not result in civil liability for the indeterminate sentence review board or staff assigned to perform board-related duties provided that the decision was reached in good faith and without gross negligence.

(4) The information received by the department under RCW 71.05.445 or 70.02.250 may be used to meet the statutory duties of the department to provide evidence or report to the court. Disclosure to the public of information provided

to the court by the department related to mental health services shall be limited in accordance with RCW 9.94A.500 or this section.

(5) The information received by the department under RCW 71.05.445 or 70.02.250 may be disclosed by the department to other state and local agencies as relevant to plan for and provide offenders transition, treatment, and supervision services, or as relevant and necessary to protect the public and counteract the danger created by a particular offender, and in a manner consistent with the written policy established by the secretary. The decision to disclose or not shall not result in civil liability for the department or its employees so long as the decision was reached in good faith and without gross negligence. The information received by a state or local agency from the department shall remain confidential and subject to the limitations on disclosure set forth in chapters 70.02, 71.05, and 71.34 RCW and, subject to these limitations, may be released only as relevant and necessary to counteract the danger created by a particular offender.

(6) The information received by the department under RCW 71.05.445 or 70.02.250 may be disclosed by the department to individuals only with respect to offenders who have been determined by the department to have a high risk of reoffending by a risk assessment, as defined in RCW 9.94A.030, only as relevant and necessary for those individuals to take reasonable steps for the purpose of self-protection, or as provided in RCW 72.09.370(2). The information may not be disclosed for the purpose of engaging the public in a system of supervision, monitoring, and reporting offender behavior to the department. The department must limit the disclosure of information related to mental health services to the public to descriptions of an offender's behavior, risk he or she may present to the community, and need for mental health treatment, including medications, and shall not disclose or release to the public copies of treatment documents or records, except as otherwise provided by law. All disclosure of information to the public must be done in a manner consistent with the written policy established by the secretary. The decision to disclose or not shall not result in civil liability for the department or its employees so long as the decision was reached in good faith and without gross negligence. Nothing in this subsection prevents any person from reporting to law enforcement or the department behavior that he or she believes creates a public safety risk.

Sec. 9016. RCW 74.34.020 and 2017 c 268 s 2 and 2017 c 266 s 12 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) "Abandonment" means action or inaction by a person or entity with a duty of care for a vulnerable adult that leaves the vulnerable person without the means or ability to obtain necessary food, clothing, shelter, or health care.

(2) "Abuse" means the willful action or inaction that inflicts injury, unreasonable confinement, intimidation, or punishment on a vulnerable adult. In instances of abuse of a vulnerable adult who is unable to express or demonstrate physical harm, pain, or mental anguish, the abuse is presumed to cause physical harm, pain, or mental anguish. Abuse includes sexual abuse, mental abuse, physical abuse, and personal exploitation of a vulnerable adult, and improper use of restraint against a vulnerable adult which have the following meanings:

(a) "Sexual abuse" means any form of nonconsensual sexual conduct, including but not limited to unwanted or inappropriate touching, rape, sodomy, sexual coercion, sexually explicit photographing, and sexual harassment. Sexual abuse also includes any sexual conduct between a staff person, who is not also a resident or client, of a facility or a staff person of a program authorized under chapter 71A.12 RCW, and a vulnerable adult living in that facility or receiving service from a program authorized under chapter 71A.12 RCW, whether or not it is consensual.

(b) "Physical abuse" means the willful action of inflicting bodily injury or physical mistreatment. Physical abuse includes, but is not limited to, striking with or without an object, slapping, pinching, choking, kicking, shoving, or prodding.

(c) "Mental abuse" means a willful verbal or nonverbal action that threatens, humiliates, harasses, coerces, intimidates, isolates, unreasonably confines, or punishes a vulnerable adult. Mental abuse may include ridiculing, yelling, or swearing.

(d) "Personal exploitation" means an act of forcing, compelling, or exerting undue influence over a vulnerable adult causing the vulnerable adult to act in a way that is inconsistent with relevant past behavior, or causing the vulnerable adult to perform services for the benefit of another.

(e) "Improper use of restraint" means the inappropriate use of chemical, physical, or mechanical restraints for convenience or discipline or in a manner that: (i) Is inconsistent with federal or state licensing or certification requirements for facilities, hospitals, or programs authorized under chapter 71A.12 RCW; (ii) is not medically authorized; or (iii) otherwise constitutes abuse under this section.

(3) "Chemical restraint" means the administration of any drug to manage a vulnerable adult's behavior in a way that reduces the safety risk to the vulnerable adult or others, has the temporary effect of restricting the vulnerable adult's freedom of movement, and is not standard treatment for the vulnerable adult's medical or psychiatric condition.

(4) "Consent" means express written consent granted after the vulnerable adult or his or her legal representative has been fully informed of the nature of the services to be offered and that the receipt of services is voluntary.

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

(6) "Facility" means a residence licensed or required to be licensed under chapter 18.20 RCW, assisted living facilities; chapter 18.51 RCW, nursing homes; chapter 70.128 RCW, adult family homes; chapter 72.36 RCW, soldiers' homes; or chapter 71A.20 RCW, residential habilitation centers; or any other facility licensed or certified by the department or the department of health.

(7) "Financial exploitation" means the illegal or improper use, control over, or withholding of the property, income, resources, or trust funds of the vulnerable adult by any person or entity for any person's or entity's profit or advantage other than for the vulnerable adult's profit or advantage. "Financial exploitation" includes, but is not limited to:

(a) The use of deception, intimidation, or undue influence by a person or entity in a position of trust and confidence with a vulnerable adult to obtain or use the property, income, resources, or trust funds of the vulnerable adult for the benefit of a person or entity other than the vulnerable adult;

(b) The breach of a fiduciary duty, including, but not limited to, the misuse of a power of attorney, trust, or a guardianship appointment, that results in the unauthorized appropriation, sale, or transfer of the property, income, resources, or trust funds of the vulnerable adult for the benefit of a person or entity other than the vulnerable adult; or

(c) Obtaining or using a vulnerable adult's property, income, resources, or trust funds without lawful authority, by a person or entity who knows or clearly should know that the vulnerable adult lacks the capacity to consent to the release or use of his or her property, income, resources, or trust funds.

(8) "Financial institution" has the same meaning as in RCW 30A.22.040 and 30A.22.041. For purposes of this chapter only, "financial institution" also means a "broker-dealer" or "investment adviser" as defined in RCW 21.20.005.

(9) "Hospital" means a facility licensed under chapter 70.41(§) or 71.12(§) RCW or a state hospital defined in chapter 72.23 RCW and any employee, agent, officer, director, or independent contractor thereof.

(10) "Incapacitated person" means a person who is at a significant risk of personal or financial harm under RCW 11.88.010(1) (a), (b), (c), or (d).

(11) "Individual provider" means a person under contract with the department to provide services in the home under chapter 74.09 or 74.39A RCW.

(12) "Interested person" means a person who demonstrates to the court's satisfaction that the person is interested in the welfare of the vulnerable adult, that the person has a good faith belief that the court's intervention is necessary, and that the vulnerable adult is unable, due to incapacity, undue influence, or duress at the time the petition is filed, to protect his or her own interests.

(13)(a) "Isolate" or "isolation" means to restrict a vulnerable adult's ability to communicate, visit, interact, or otherwise associate with persons of his or her choosing. Isolation may be evidenced by acts including but not limited to:

(i) Acts that prevent a vulnerable adult from sending, making, or receiving his or her personal mail, electronic communications, or telephone calls; or

(ii) Acts that prevent or obstruct the vulnerable adult from meeting with others, such as telling a prospective visitor or caller that a vulnerable adult is not present, or does not wish contact, where the statement is contrary to the express wishes of the vulnerable adult.

(b) The term "isolate" or "isolation" may not be construed in a manner that prevents a guardian or limited guardian from performing his or her fiduciary obligations under chapter 11.92 RCW or prevents a hospital or facility from providing treatment consistent with the standard of care for delivery of health services.

(14) "Mandated reporter" is an employee of the department; law enforcement officer; social worker; professional school personnel; individual provider; an employee of a facility; an operator of a facility; an employee of a social service, welfare, mental health, adult day health, adult day care, home health, home care, or hospice agency; county coroner or medical examiner; Christian Science practitioner; or health care provider subject to chapter 18.130 RCW.

(15) "Mechanical restraint" means any device attached or adjacent to the vulnerable adult's body that he or she cannot easily remove that restricts freedom of movement or normal access to his or her body. "Mechanical restraint" does not include the use of devices, materials, or equipment that are (a) medically

authorized, as required, and (b) used in a manner that is consistent with federal or state licensing or certification requirements for facilities, hospitals, or programs authorized under chapter 71A.12 RCW.

(16) "Neglect" means (a) a pattern of conduct or inaction by a person or entity with a duty of care that fails to provide the goods and services that maintain physical or mental health of a vulnerable adult, or that fails to avoid or prevent physical or mental harm or pain to a vulnerable adult; or (b) an act or omission by a person or entity with a duty of care that demonstrates a serious disregard of consequences of such a magnitude as to constitute a clear and present danger to the vulnerable adult's health, welfare, or safety, including but not limited to conduct prohibited under RCW 9A.42.100.

(17) "Permissive reporter" means any person, including, but not limited to, an employee of a financial institution, attorney, or volunteer in a facility or program providing services for vulnerable adults.

(18) "Physical restraint" means the application of physical force without the use of any device, for the purpose of restraining the free movement of a vulnerable adult's body. "Physical restraint" does not include (a) briefly holding without undue force a vulnerable adult in order to calm or comfort him or her, or (b) holding a vulnerable adult's hand to safely escort him or her from one area to another.

(19) "Protective services" means any services provided by the department to a vulnerable adult with the consent of the vulnerable adult, or the legal representative of the vulnerable adult, who has been abandoned, abused, financially exploited, neglected, or in a state of self-neglect. These services may include, but are not limited to case management, social casework, home care, placement, arranging for medical evaluations, psychological evaluations, day care, or referral for legal assistance.

(20) "Self-neglect" means the failure of a vulnerable adult, not living in a facility, to provide for himself or herself the goods and services necessary for the vulnerable adult's physical or mental health, and the absence of which impairs or threatens the vulnerable adult's well-being. This definition may include a vulnerable adult who is receiving services through home health, hospice, or a home care agency, or an individual provider when the neglect is not a result of inaction by that agency or individual provider.

(21) "Social worker" means:

(a) A social worker as defined in RCW 18.320.010(2); or

(b) Anyone engaged in a professional capacity during the regular course of employment in encouraging or promoting the health, welfare, support, or education of vulnerable adults, or providing social services to vulnerable adults, whether in an individual capacity or as an employee or agent of any public or private organization or institution.

(22) "Vulnerable adult" includes a person:

(a) Sixty years of age or older who has the functional, mental, or physical inability to care for himself or herself; or

(b) Found incapacitated under chapter 11.88 RCW; or

(c) Who has a developmental disability as defined under RCW 71A.10.020;

or

(d) Admitted to any facility; or

(e) Receiving services from home health, hospice, or home care agencies licensed or required to be licensed under chapter 70.127 RCW; or

(f) Receiving services from an individual provider; or

(g) Who self-directs his or her own care and receives services from a personal aide under chapter 74.39 RCW.

(23) "Vulnerable adult advocacy team" means a team of three or more persons who coordinate a multidisciplinary process, in compliance with chapter 266, Laws of 2017 and the protocol governed by RCW 74.34.320, for preventing, identifying, investigating, prosecuting, and providing services related to abuse, neglect, or financial exploitation of vulnerable adults.

PART 10

NEW SECTION. **Sec. 10001.** A new section is added to chapter 41.05 RCW to read as follows:

(1) The powers, duties, and functions of the department of social and health services pertaining to the behavioral health system and purchasing function of the behavioral health administration, except for oversight and management of state-run mental health institutions and licensing and certification activities, are hereby transferred to the Washington state health care authority to the extent necessary to carry out the purposes of this act. All references to the secretary or the department of social and health services in the Revised Code of Washington shall be construed to mean the director of the health care authority or the health care authority when referring to the functions transferred in this section.

(2)(a) All reports, documents, surveys, books, records, files, papers, or written material in the possession of the department of social and health services pertaining to the powers, duties, and functions transferred shall be delivered to the custody of the health care authority. All cabinets, furniture, office equipment, motor vehicles, and other tangible property employed by the department of social and health services in carrying out the powers, duties, and functions transferred shall be made available to the health care authority. All funds, credits, or other assets held by the department of social and health services in connection with the powers, duties, and functions transferred shall be assigned to the health care authority.

(b) Any appropriations made to the department of social and health services for carrying out the powers, functions, and duties transferred shall, on the effective date of this section, be transferred and credited to the health care authority.

(c) Whenever any question arises as to the transfer of any personnel, funds, books, documents, records, papers, files, equipment, or other tangible property used or held in the exercise of the powers and the performance of the duties and functions transferred, the director of financial management shall make a determination as to the proper allocation and certify the same to the state agencies concerned.

(3) All rules and all pending business before the department of social and health services pertaining to the powers, duties, and functions transferred shall be continued and acted upon by the health care authority. All existing contracts and obligations shall remain in full force and shall be performed by the health care authority.

(4) The transfer of the powers, duties, functions, and personnel of the department of social and health services shall not affect the validity of any act performed before the effective date of this section.

(5) 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.

(6) On July 1, 2018, all employees of the department of social and health services engaged in performing the powers, functions, and duties transferred to the health care authority are transferred to the health care authority. All employees classified under chapter 41.06 RCW, the state civil service law, are assigned to the health care authority to perform their usual duties upon the same terms as formerly, without any loss of rights, subject to any action that may be appropriate thereafter in accordance with the laws and rules governing state civil service law.

(7) Positions in any bargaining unit within the health care authority existing on the effective date of this section will not be removed from an existing bargaining unit as a result of this section unless and until the existing bargaining unit is modified by the public employment relations commission pursuant to Title 391 WAC. The portions of any bargaining units of employees at the department of social and health services existing on the effective date of this section that are transferred to the health care authority shall be considered separate appropriate units within the health care authority unless and until modified by the public employment relations commission pursuant to Title 391 WAC. The exclusive bargaining representatives recognized as representing the portions of the bargaining units of employees at the department of social and health services existing on the effective date of this section shall continue as the exclusive bargaining representatives of the transferred bargaining units without the necessity of an election.

(8) The public employment relations commission may review the appropriateness of the collective bargaining units that are a result of the transfer from the department of social and health services to the health care authority under this act. The employer or the exclusive bargaining representative may petition the public employment relations commission to review the bargaining units in accordance with this section.

(9) On July 1, 2018, the health care authority must enter into an agreement with the department of health to ensure coordination of preventative behavioral health services or other necessary agreements to carry out the intent of this act.

(10) The health care authority may enter into agreements as necessary with the department of social and health services to carry out the transfer of duties as set forth in this act.

NEW SECTION. Sec. 10002. A new section is added to chapter 43.70 RCW to read as follows:

(1) The powers, duties, and functions of the department of social and health services pertaining to licensing and certification of behavioral health provider agencies and facilities, except for state-run mental health institutions, are hereby transferred to the department of health to the extent necessary to carry out the

purposes of this act. All references to the secretary or the department of social and health services in the Revised Code of Washington shall be construed to mean the secretary of the department of health or the department of health when referring to the functions transferred in this section.

(2)(a) All reports, documents, surveys, books, records, files, papers, or written material in the possession of the department of social and health services pertaining to the powers, duties, and functions transferred shall be delivered to the custody of the department of health. All cabinets, furniture, office equipment, motor vehicles, and other tangible property employed by the department of social and health services in carrying out the powers, duties, and functions transferred shall be made available to the department of health. All funds, credits, or other assets held by the department of social and health services in connection with the powers, duties, and functions transferred shall be assigned to the department of health.

(b) Any appropriations made to the department of social and health services for carrying out the powers, functions, and duties transferred shall, on the effective date of this section, be transferred and credited to the department of health.

(c) If any question arises as to the transfer of any personnel, funds, books, documents, records, papers, files, equipment, or other tangible property used or held in the exercise of the powers and the performance of the duties and functions transferred, the director of financial management shall make a determination as to the proper allocation and certify the same to the state agencies concerned.

(3) All rules and all pending business before the department of social and health services pertaining to the powers, duties, and functions transferred shall be continued and acted upon by the department of health. All existing contracts and obligations shall remain in full force and shall be performed by the department of health.

(4) The transfer of the powers, duties, functions, and personnel of the department of social and health services shall not affect the validity of any act performed before the effective date of this section.

(5) 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.

(6) On July 1, 2018, all employees of the department of social and health services engaged in performing the powers, functions, and duties transferred to the department of health are transferred to the department of health. All employees classified under chapter 41.06 RCW, the state civil service law, are assigned to the department of health to perform their usual duties upon the same terms as formerly, without any loss of rights, subject to any action that may be appropriate thereafter in accordance with the laws and rules governing state civil service law.

(7) Positions in any bargaining unit within the department of health existing on the effective date of this section will not be removed from an existing bargaining unit as a result of this section unless and until the existing bargaining

unit is modified by the public employment relations commission pursuant to Title 391 WAC. Nonsupervisory civil service employees of the department of social and health services assigned to the department of health under this section whose positions are within the existing bargaining unit description at the department of health shall become a part of that unit under the provision of chapter 41.80 RCW. The existing bargaining representative of the existing bargaining unit at the department of health shall continue to be certified as the exclusive bargaining representative without the necessity of an election.

(8) The department of health may enter into agreements as necessary with the department of social and health services to carry out the transfer of duties as set forth in this act.

NEW SECTION. Sec. 10003. The code reviser shall note wherever the secretary or department of any agency or agency's duties transferred or consolidated under this act is used or referred to in statute that the name of the secretary or department has changed. The code reviser shall prepare legislation for the 2019 regular session that: (1) Changes all statutory references to the secretary or department of any agency transferred or consolidated under this act; and (2) changes statutory references to sections recodified by this act but not amended in this act.

PART 11

NEW SECTION. Sec. 11001. 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. 11002. RCW 71.24.065 (Wraparound model of integrated children's mental health services delivery—Contracts—Evaluation—Report) is decodified.

NEW SECTION. Sec. 11003. (1) RCW 43.20A.025 is recodified as a section in chapter 71.34 RCW.

(2) RCW 43.20A.065 and 43.20A.433 are each recodified as sections in chapter 71.24 RCW.

(3) RCW 43.20A.890 and 43.20A.892 are each recodified as sections in chapter 41.05 RCW.

(4) RCW 43.20A.893, 43.20A.894, 43.20A.896, and 43.20A.897 are each recodified as sections in chapter 74.09 RCW.

NEW SECTION. Sec. 11004. Sections 3009, 3012, 3026, 5017, and 5020 of this act expire July 1, 2026.

NEW SECTION. Sec. 11005. Sections 3010, 3013, 3027, 5018, and 5021 of this act take effect July 1, 2026.

NEW SECTION. Sec. 11006. Except as provided in section 11005 of this act, this act takes effect July 1, 2018.

Passed by the House February 7, 2018.

Passed by the Senate February 28, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 202

[Second Substitute House Bill 1433]

HIGHER EDUCATION SERVICES AND ACTIVITIES FEES--INCREASE--LIMIT

AN ACT Relating to decoupling services and activities fees from tuition; and reenacting and amending RCW 28B.15.069.

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

Sec. 1. RCW 28B.15.069 and 2016 sp.s. c 33 s 2 and 2016 c 202 s 57 are each reenacted and amended to read as follows:

(1) The building fee for each academic year shall be a percentage of total tuition fees. This percentage shall be calculated by the office of financial management and be based on the actual percentage the building fee is of total tuition for each tuition category in the 1994-95 academic year, rounded up to the nearest half percent. After October 9, 2015, the dollar value of the building fee shall not be reduced below the level in the 2014-15 academic year adjusted for inflation. As used in this subsection, "inflation" has the meaning in RCW 28B.15.066(2).

(2) The governing boards of each institution of higher education shall charge to and collect from each student a services and activities fee. A governing board may increase the existing fee annually, consistent with budgeting procedures set forth in RCW 28B.15.045, by amounts that shall not exceed four percent per year, judged reasonable and necessary by the services and activities fee committee and the governing board. The governing boards of the community and technical colleges may increase the existing student and activities fee annually, consistent with budgeting procedures set forth in RCW 28B.15.045, by a percentage not to exceed the annual percentage increase in student tuition fees for resident undergraduate students: PROVIDED, That such percentage increase shall not apply to that portion of the services and activities fee previously committed to the repayment of bonded debt. These rate adjustments may exceed the fiscal growth factor. ((For the 2015-2017 fiscal biennium, each governing board is authorized to increase the services and activities fees by amounts judged reasonable and necessary by the services and activities fee committee and the governing board consistent with the budgeting procedures set forth in RCW 28B.15.045.)) The services and activities fee committee provided for in RCW 28B.15.045 may initiate a request to the governing board for a fee increase.

(3) Tuition and services and activities fees consistent with subsection (2) of this section shall be set by the state board for community and technical colleges for community and technical college summer school students unless the college charges fees in accordance with RCW 28B.15.515.

(4) Subject to the limitations of RCW 28B.15.910, each governing board of a community or technical college may charge such fees for ungraded courses, noncredit courses, community services courses, and self-supporting courses as it, in its discretion, may determine, consistent with the rules of the state board for community and technical colleges.

(5) The governing board of a college offering an applied baccalaureate degree program under RCW 28B.50.810 or a bachelor of science degree program described in RCW 28B.50.825 may charge tuition fees for those courses above the associate degree level at rates consistent with rules adopted by

the state board for community and technical colleges, not to exceed tuition fee rates at the regional universities.

Passed by the House February 8, 2018.

Passed by the Senate March 1, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 203

[Engrossed Second Substitute House Bill 1439]

HIGHER EDUCATION--UNFAIR BUSINESS PRACTICES

AN ACT Relating to regulating the institutions of higher education, including for-profit institutions and private vocational schools, to protect students from unfair business practices; amending RCW 28A.85.090, 28C.10.050, 28C.10.110, and 28C.10.130; reenacting and amending RCW 43.84.092; adding new sections to chapter 28B.85 RCW; adding new sections to chapter 18.16 RCW; adding a new section to chapter 28B.77 RCW; creating new sections; and prescribing penalties.

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

NEW SECTION. Sec. 1. (1) In 2016, the student achievement council contracted with the William D. Ruckelshaus center to conduct a two-part study analyzing the system of for-profit degree-granting institutions and private vocational schools in Washington. The Ruckelshaus center issued its first report in December 2016, followed by facilitated discussions amongst agencies and stakeholders that resulted in a second report issued in 2017. This act incorporates some of the findings and recommendations from the first phase of the report, including the benefits of ensuring that recruitment advertising and materials are consistent with state and federal verified data. In addition, this act incorporates findings regarding the need for a single student complaint portal and for agencies to have timely access to trust funds for tuition recovery and other methods of responding when schools close. This act also authorizes the second part of the study, as recommended by the center, that will include discussions of agency jurisdiction and consistency and how to improve the agencies' abilities to respond to school closures.

(2) The legislature finds that there are many private for-profit and nonprofit career colleges and degree-granting institutions providing Washington state residents with important postsecondary and career opportunities that contribute to the economic security of Washington residents and aid in meeting the needs of our state's growing economy. The legislature also recognizes that there have been high profile closures of, or federal and other state determinations regarding, some for-profit or formerly for-profit institutions that have damaged the reputation of the sector and impacted the expectations and financial stability of some students. It is the legislature's intent to provide a framework to ensure a level playing field exists for the many institutions that provide disclosures to prospective students based on verifiable metrics, which allow prospective students to be able to make the best decisions on school and career choices and on financial aid and loans to finance their educational goals. The legislature also intends to ensure that students are provided the information they need to make the best decisions for their educational future and careers in event of closure or potential closure of an institution. In addition, the legislature intends to protect

the state's interest in the integrity of its grant and aid programs, from private decisions to close schools or programs under circumstances that may prevent students from obtaining the degree or certificate and career services that the students expected upon enrollment.

NEW SECTION. Sec. 2. (1) Subject to the availability of amounts appropriated for this specific purpose, up to seventy-five thousand dollars, the student achievement council must continue administering the two-part study of for-profit degree-granting institutions and private vocational schools that was authorized under section 609, chapter 36, Laws of 2016 sp. sess.

(2) As part of the second part of the process, the study must contain findings and recommendations regarding the creation of an ombuds to serve students of degree-granting institutions and private vocational schools, including a recommendation on which state agency should house the position, and if there are other ombuds positions created by the legislature that can serve these students. The study must also contain recommendations on strengthening agencies' abilities to respond to, and protect student consumers from, school closures. Recommendations on agency responses include the use of trust funds and surety bonds for tuition recovery and other related losses.

(3) The student achievement council and the workforce training and education coordinating board must provide a report on the study to the legislature by December 31, 2018.

Sec. 3. RCW 28B.85.090 and 2012 c 229 s 550 are each amended to read as follows:

(1) Complaints may be filed with the council under this chapter by a person claiming loss of tuition or fees as a result of an unfair business practice (~~may file a complaint with the council~~). The complaint shall set forth the alleged violation and shall contain information required by the council. A complaint may also be filed with the council by an authorized staff member of the council or by the attorney general.

(2) The council shall investigate any complaint under this section and may attempt to bring about a settlement. The council may hold a hearing pursuant to the Administrative Procedure Act, chapter 34.05 RCW, in order to determine whether a violation has occurred. If the council prevails, the degree-granting institution shall pay the costs of the administrative hearing.

(3) If, after the hearing, the council finds that the institution or its agent engaged in or is engaging in any unfair business practice, the council shall issue and cause to be served upon the violator an order requiring the violator to cease and desist from the act or practice and may impose the penalties under RCW 28B.85.100 and section 4 of this act. If the council finds that the complainant has suffered loss as a result of the act or practice, the council may order full or partial restitution for the loss. The complainant is not bound by the council's determination of restitution and may pursue any other legal remedy.

NEW SECTION. Sec. 4. A new section is added to chapter 28B.85 RCW to read as follows:

(1)(a) The council may deny, revoke, or suspend the authorization of any degree-granting institution authorized to operate under this chapter that is found to be in violation of this chapter.

(b) The council may not delegate to any other state its authority to oversee and enforce compliance with this chapter or its authority to respond to complaints by students in this state, regardless of whether the institution is authorized by, or has its home in, another state. Under RCW 28B.85.020(1)(c), participation in interstate reciprocity agreements consistent with the purposes of this chapter does not delegate authority for compliance with this chapter or authority to respond to student complaints.

(2) It is a violation of this chapter for a degree-granting institution authorized to operate under this chapter or an agent employed by such a degree-granting institution to:

(a) Provide prospective students with any testimonial, endorsement, or other information that a reasonable person would find was likely to mislead or deceive prospective students or the public regarding current practices of the school, current conditions for employment opportunities, postgraduation employment by industry, or probable earnings in the occupation for which the education was designed, the likelihood of obtaining financial aid or low-interest loans for tuition, or the ability of graduates to repay loans;

(b) Use any official United States military logo in advertising or promotional materials; or

(c) Violate the provision of section 5(1)(b) of this act regarding the sale of, or inducing of students to obtain, specific consumer student loan products.

NEW SECTION. Sec. 5. A new section is added to chapter 28B.85 RCW to read as follows:

(1) A degree-granting institution authorized to operate under this chapter must:

(a) Present data about its completion rates, employment rates, loan or indebtedness metrics, or its graduates' median hourly and annual earnings, the posted data consistent with the data posted on the workforce training and education coordinating board's career bridge web site or the data posted by the United States department of education, if the board or the department of education has posted such data;

(b) Not engage in any practice regarding the sale of, or inducing of students to obtain, specific consumer student loan products to fund education that financially benefits any person or entity that has an ownership interest in the institution, unless the institution can demonstrate to the council that the student has exhausted all federal aid options and has been denied noninstitutional private commercial loan products. The prohibition in this subsection (1)(b) applies to any degree-granting institution authorized to operate under this chapter, and any agent of the institution, that has at least one hundred fifty students or more enrolled in the state in any given year or that has been operating in the state for less than two consecutive years. A financial benefit for purposes of this subsection (1)(b) does not include merely having an interest in students with loans enrolling in the institution or assisting students with financial aid matters. For purposes of this subsection (1)(b), "agent" means any employee, officer, or contractor working on behalf of the institution; and

(c) Disclose to the council regarding any pending investigations by an oversight entity, including the nature of that investigation, within thirty days of the degree-granting institution's first knowledge of the investigation. For the purposes of this subsection, "investigation" means any inquiry into possible

violations of any applicable laws or accreditation standards. For the purposes of this subsection, "oversight entity" means all of the following:

- (i) Any federal or state entity that provides financial aid to students of the institution or approves the institution for participation in a financial aid program;
- (ii) Any state or federal attorney general's office or department of justice;
- (iii) Any regulator that approves the operation of the private vocational school;
- (iv) The federal consumer financial protection bureau or the federal securities and exchange commission; and
- (v) Any accrediting agency.

(2) A violation of any provision of this section is also a violation of RCW 19.86.020 of the consumer protection act. The penalties authorized pursuant to subsection (1) of this section do not preclude remedies available under the provisions of the consumer protection act.

Sec. 6. RCW 28C.10.050 and 2014 c 11 s 2 are each amended to read as follows:

(1) The agency shall adopt by rule minimum standards for entities operating private vocational schools. The minimum standards shall include, but not be limited to, requirements to assess whether a private vocational school is eligible to obtain and maintain a license in this state.

(2) The requirements adopted by the agency shall, at a minimum, require a private vocational school to:

(a) Disclose to the agency information about its ownership and financial position and ~~((to))~~ demonstrate to the agency that the school is financially viable and responsible and that it has sufficient financial resources to fulfill its commitments to students. Financial disclosures provided to the agency shall not be subject to public disclosure under chapter 42.56 RCW;

(b) Follow a uniform statewide cancellation and refund policy as specified by the agency;

(c) Disclose through use of a school catalog, web site, brochure, or other written material, necessary information to students so that students may make informed enrollment decisions. The agency shall specify what data and information ((is)) are required. To the extent that these web sites or materials present any data on the completion rates, employment rates, loan or indebtedness metrics, and its graduates' median hourly and annual earnings for any of the private vocational schools or its programs, the posted data must be consistent with the data posted on the agency's career bridge web site or the data posted by the United States department of education, if the agency or the department of education has posted such data. Nothing in this subsection requires the agency to make changes to the career bridge web site or add new elements or features to the career bridge web site;

(d) Use an enrollment contract or agreement that includes: (i) The school's cancellation and refund policy, (ii) a brief statement that the school is licensed under this chapter and that inquiries, concerns, or complaints may be made to the agency, and (iii) other necessary information as determined by the agency;

(e) Describe accurately and completely in writing to students before their enrollment prerequisites and requirements for (i) completing successfully the programs of study in which they are interested and (ii) qualifying for the fields of employment for which their education is designed;

(f) Comply with the requirements of RCW 28C.10.084;

(g) Assess the basic skills and relevant aptitudes of each potential student to determine that a potential student has the basic skills and relevant aptitudes necessary to complete and benefit from the program in which the student plans to enroll, including but not limited to administering a United States department of education-approved English as a second language exam before enrolling students for whom English is a second language unless the students provide proof of graduation from a United States high school or proof of completion of a high school equivalency certificate as provided in RCW 28B.50.536 in English or results of another academic assessment determined appropriate by the agency. Guidelines for such assessments shall be developed by the agency, in consultation with the schools;

(h) Discuss with each potential student the potential student's obligations in signing any enrollment contract and/or incurring any debt for educational purposes. The discussion shall include the inadvisability of acquiring an excessive educational debt burden that will be difficult to repay given employment opportunities and average starting salaries in the potential student's chosen occupation;

(i) Ensure that any enrollment contract between the private vocational school and its students has an attachment in a format provided by the agency. The attachment shall be signed by both the school and the student. The attachment shall stipulate that the school has complied with (h) of this subsection and that the student understands and accepts his or her responsibilities in signing any enrollment contract or debt application. The attachment shall also stipulate that the enrollment contract shall not be binding for at least five days, excluding Sundays and holidays, following signature of the enrollment contract by both parties; (~~and~~)

(j) Comply with the requirements related to qualifications of administrators and instructors; and

(k) Disclose to the agency regarding any pending investigations by an oversight entity, including the nature of that investigation, within thirty days of the school's first knowledge of the investigation. For the purposes of this subsection, "investigation" means any inquiry into possible violations of any applicable laws or accreditation standards. For the purposes of this subsection, "oversight entity" means all of the following:

(i) Any federal or state entity that provides financial aid to students of the institution or approves the school for participation in a financial aid program;

(ii) Any state or federal attorney general's office or department of justice;

(iii) Any regulator that approves the operation of the private vocational school;

(iv) The federal consumer financial protection bureau or the federal securities and exchange commission; and

(v) Any accrediting agency.

(3) A private vocational school that has at least one hundred fifty students or more in the state during any given year, or that has been operating in the state for less than two consecutive years, or that has not had at least one of its programs recognized by the agency as an eligible training provider for at least two consecutive years, may not engage in any practice regarding the sale of, or inducing of students to obtain, specific consumer student loan products to fund

education that financially benefits any person or entity that has an ownership interest in the institution, unless the institution can demonstrate to the agency that the student has exhausted all federal aid options and has been denied noninstitutional private commercial loan products. A financial benefit for purposes of this subsection does not include merely having an interest in students with loans enrolling in the institution or assisting students with financial aid matters. For purposes of this subsection, "agent" means any employee, officer, or contractor working on behalf of the institution.

(4) The agency may deny a private vocational school's application for licensure if the school fails to meet the requirements in this section.

~~((4))~~ (5) The agency may determine that a licensed private vocational school or a particular program of a private vocational school is at risk of closure or termination if:

(a) There is a pattern or history of substantiated student complaints filed with the agency pursuant to RCW 28C.10.120; or

(b) The private vocational school fails to meet minimum licensing requirements and has a pattern or history of failing to meet the minimum requirements.

~~((5))~~ (6) If the agency determines that a private vocational school or a particular program is at risk of closure or termination, the agency shall require the school to take corrective action.

Sec. 7. RCW 28C.10.110 and 2014 c 11 s 6 are each amended to read as follows:

(1) It is a violation of this chapter for an entity operating a private vocational school to engage in an unfair business practice. The agency may deny, revoke, or suspend the license of any entity that is found to have engaged in a substantial number of unfair business practices or that has engaged in significant unfair business practices.

(2) It is an unfair business practice for an entity operating a private vocational school or an agent employed by a private vocational school to:

(a) Fail to comply with the terms of a student enrollment contract or agreement;

(b) Use an enrollment contract form, catalog, brochure, or similar written material affecting the terms and conditions of student enrollment other than that previously submitted to the agency and authorized for use;

(c) Advertise in the help wanted section of a newspaper or otherwise represent falsely, directly or by implication, that the school is an employment agency, is making an offer of employment or otherwise is attempting to conceal the fact that what is being represented are course offerings of a school;

(d) Represent falsely, directly or by implication, that an educational program is approved by a particular industry or that successful completion of the program qualifies a student for admission to a labor union or similar organization or for the receipt of a state license in any business, occupation, or profession;

(e) Represent falsely, directly or by implication, that a student who successfully completes a course or program of instruction may transfer credit for the course or program to any institution of higher education;

(f) Represent falsely, directly or by implication, in advertising or in any other manner, the school's size, location, facilities, equipment, faculty

qualifications, number of faculty, or the extent or nature of any approval received from an accrediting association;

(g) Represent that the school is approved, recommended, or endorsed by the state of Washington or by the agency, except the fact that the school is authorized to operate under this chapter may be stated;

(h) Provide prospective students with: Any testimonial, endorsement, or other information ((which has the tendency)) that a reasonable person would find likely to mislead or deceive prospective students or the public, including those regarding current practices of the school((:)); information regarding rates of completion or postgraduation employment by industry, or its graduates' median hourly or annual earnings, that is not consistent with the presentation of data as established under RCW 28C.10.050(2)(c); current conditions for employment opportunities((:)); postgraduation employment by industry or probable earnings in the occupation for which the education was designed; total cost to obtain a diploma or certificate; the acceptance of a diploma or certificate by employers as a qualification for employment; the acceptance of courses, a diploma, or certificate by higher education institutions; the likelihood of obtaining financial aid or low-interest loans for tuition; and the ability of graduates to repay loans;

(i) Designate or refer to sales representatives as "counselors," "advisors," or similar terms which have the tendency to mislead or deceive prospective students or the public regarding the authority or qualifications of the sales representatives;

(j) Make or cause to be made any statement or representation in connection with the offering of education if the school or agent knows or reasonably should have known the statement or representation to be false, substantially inaccurate, or misleading;

(k) Engage in methods of advertising, sales, collection, credit, or other business practices which are false, deceptive, misleading, or unfair, as determined by the agency by rule; ((✕))

(l) Attempt to recruit students in or within forty feet of a building that contains a welfare or unemployment office. Recruiting includes, but is not limited to canvassing and surveying. Recruiting does not include leaving materials at or near an office for a person to pick up of his or her own accord, or handing a brochure or leaflet to a person provided that no attempt is made to obtain a name, address, telephone number, or other data, or to otherwise actively pursue the enrollment of the individual;

(m) Violate RCW 28C.10.050(3) regarding the sale of, or inducing of students to obtain, specific consumer student loan products; or

(n) Use any official United States military logos in advertising or promotional materials.

Sec. 8. RCW 28C.10.130 and 1986 c 299 s 13 are each amended to read as follows:

(1) Any private vocational school or agent violating RCW 28C.10.060, 28C.10.090, or 28C.10.110 or the applicable agency rules is subject to a civil penalty of not more than one hundred dollars for each separate violation. Each day on which a violation occurs constitutes a separate violation. Multiple violations on a single day may be considered separate violations. The fine may be imposed by the agency under RCW 28C.10.120, or in any court of competent jurisdiction.

(2) In addition to the penalties authorized pursuant to subsection (1) of this section, any violation of any provision of this chapter is also a violation of RCW 19.86.020 of the consumer protection act, pursuant to RCW 28C.10.210. The penalties authorized under subsection (1) of this section do not preclude remedies available under the provisions of the consumer protection act.

NEW SECTION. Sec. 9. A new section is added to chapter 18.16 RCW to read as follows:

(1)(a) For the purpose of providing relief to students impacted by the voluntary or involuntary closure of schools regulated under this chapter, the director shall establish, maintain, and administer a department of licensing tuition recovery trust fund created in section 10 of this act. The department of licensing tuition recovery trust fund shall be established no later than January 1, 2019. All funds collected for the department of licensing tuition recovery trust fund are payable to the state for the benefit and protection of any student or enrollee of a private school licensed under this chapter, for purposes including but not limited to the settlement of claims related to school closures.

(b) No liability accrues to the state from claims made against the department of licensing tuition recovery trust fund.

(2)(a) The director may impose a fee structure, set forth in rule, on schools licensed under this chapter to fund the department of licensing tuition recovery trust fund.

(b) The director must determine an amount that would be sufficient in the department of licensing tuition recovery trust fund to provide relief to students in the event of a school closure. The director shall adopt schedules of times and amounts for effecting payments of fees. To reach the amount determined, the director may phase in the collection of fees, but must achieve the amount determined to be sufficient no later than five years from the effective date of this section.

(3) Money from the department of licensing tuition recovery trust fund may be used for:

(a) Providing refunds to students affected by school closures;

(b) Securing and administering student records; and

(c) Any other response the director determines is necessary to mitigate impacts of a potential or actual school closure.

(4) In order for a school to be and remain licensed under this chapter, each school owner shall, in addition to other requirements under this chapter, make cash deposits on behalf of the school into the department of licensing tuition recovery trust fund.

(5) The department of licensing tuition recovery trust fund's liability with respect to each participating school commences on the date of the initial deposit into the department of licensing tuition recovery trust fund made on its behalf and ceases one year from the date the school is no longer licensed under this chapter.

(6) The director shall adopt by rule a matrix for calculating the deposits into the department of licensing tuition recovery trust fund on behalf of each school.

(7) No vested right or interest in deposited funds is created or implied for the depositor at any time during the operation of the department of licensing tuition recovery trust fund or at any such future time that the department of licensing tuition recovery trust fund may be dissolved. All funds deposited are

payable to the state for the purposes described in this section. The director shall maintain the department of licensing tuition recovery trust fund, serve appropriate notices to affected owners when scheduled deposits are due, collect deposits, and make disbursements to settle claims against the department of licensing tuition recovery trust fund.

(8) The director shall adopt rules to address notifying potential claimants, settling claims, disbursing funds, and any other processes necessary to implement the purpose of this section.

NEW SECTION. Sec. 10. A new section is added to chapter 18.16 RCW to read as follows:

The department of licensing tuition recovery trust fund is created in the custody of the state treasurer. All receipts from each school owner under section 9 of this act must be deposited into the fund. Expenditures from the fund may be used only for the purposes in section 9 of this act. Only the director or the director's designee may authorize expenditures from the fund. The fund is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

NEW SECTION. Sec. 11. A new section is added to chapter 28B.85 RCW to read as follows:

(1)(a) For the purpose of providing relief to students impacted by the voluntary or involuntary closure of schools regulated under this chapter, the council shall establish, maintain, and administer a student achievement council tuition recovery trust fund created in section 12 of this act. All funds collected for the student achievement council tuition recovery trust fund are payable to the state for the benefit and protection of any student or enrollee of a private school licensed under this chapter, for purposes including but not limited to the settlement of claims related to school closures.

(b) No liability accrues to the state from claims made against the student achievement council tuition recovery trust fund.

(2)(a) The council may impose a fee structure, set forth in rule, on schools licensed under this chapter to fund the student achievement council tuition recovery trust fund.

(b) The council must determine an amount that would be sufficient in the student achievement council tuition recovery trust fund to provide relief to students in the event of a school closure. The council shall adopt schedules of times and amounts for effecting payments of fees. To reach the amount determined, the council may phase in the collection of fees, but must achieve the amount determined to be sufficient no later than five years from the effective date of this section.

(3) Money from the student achievement council tuition recovery trust fund may be used for:

- (a) Providing refunds to students affected by school closures;
- (b) Securing and administering student records; and
- (c) Any other response the council determines is necessary to mitigate impacts of a potential or actual school closure.

(4) In order for a school to be and remain licensed under this chapter, each school owner shall, in addition to other requirements under this chapter, make

cash deposits on behalf of the school into a student achievement council tuition recovery trust fund.

(5) The student achievement council tuition recovery trust fund's liability with respect to each participating school commences on the date of the initial deposit into the student achievement council tuition recovery trust fund made on its behalf and ceases one year from the date the school is no longer licensed under this chapter.

(6) The council shall adopt by rule a matrix for calculating the deposits into the student achievement council tuition recovery trust fund on behalf of each school.

(7) No vested right or interest in deposited funds is created or implied for the depositor at any time during the operation of the student achievement council tuition recovery trust fund or at any such future time that the student achievement council tuition recovery trust fund may be dissolved. All funds deposited are payable to the state for the purposes described under this section. The council shall maintain the student achievement council tuition recovery trust fund, serve appropriate notices to affected owners when scheduled deposits are due, collect deposits, and make disbursements to settle claims against the student achievement council tuition recovery trust fund.

(8) The council shall adopt rules to address notifying potential claimants, settling claims, disbursing funds, and any other processes necessary to implement the purpose of this section.

NEW SECTION. **Sec. 12.** A new section is added to chapter 28B.85 RCW to read as follows:

The student achievement council tuition recovery trust fund is created in the custody of the state treasurer. All receipts from fees imposed on schools licensed under this chapter and section 11 of this act must be deposited into the fund. Expenditures from the fund may be used only for the purposes in section 11 of this act. Only the council may authorize expenditures from the fund. The fund is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

NEW SECTION. **Sec. 13.** A new section is added to chapter 28B.77 RCW to read as follows:

Within existing resources, the student achievement council, the workforce training and education coordinating board, and the department of licensing shall collaborate to create a single portal for student complaints regarding issues related to consumer protection, disclosures, school or program closures, or other violations committed by institutions regulated by those three agencies. The persons staffing the portal shall refer complaints to the appropriate agency and work as a liaison between the student and relevant agency to assist in resolving the concerns or complaint. Each agency shall ensure that all students enrolled in, applying to enroll in, or obtaining loans at, institutions regulated by the agency are informed of the portal and how to file complaints. The persons staffing the portal will report to the legislature annually by November 1, 2018, the number of complaints and their resolution status.

Sec. 14. RCW 43.84.092 and 2017 3rd sp.s. c 25 s 50, 2017 3rd sp.s. c 12 s 12, and 2017 c 290 s 8 are each reenacted and amended to read as follows:

(1) All earnings of investments of surplus balances in the state treasury shall be deposited to the treasury income account, which account is hereby established in the state treasury.

(2) The treasury income account shall be utilized to pay or receive funds associated with federal programs as required by the federal cash management improvement act of 1990. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for refunds or allocations of interest earnings required by the cash management improvement act. Refunds of interest to the federal treasury required under the cash management improvement act fall under RCW 43.88.180 and shall not require appropriation. The office of financial management shall determine the amounts due to or from the federal government pursuant to the cash management improvement act. The office of financial management may direct transfers of funds between accounts as deemed necessary to implement the provisions of the cash management improvement act, and this subsection. Refunds or allocations shall occur prior to the distributions of earnings set forth in subsection (4) of this section.

(3) Except for the provisions of RCW 43.84.160, the treasury income account may be utilized for the payment of purchased banking services on behalf of treasury funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasury and affected state agencies. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments shall occur prior to distribution of earnings set forth in subsection (4) of this section.

(4) Monthly, the state treasurer shall distribute the earnings credited to the treasury income account. The state treasurer shall credit the general fund with all the earnings credited to the treasury income account except:

(a) The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The aeronautics account, the aircraft search and rescue account, the Alaskan Way viaduct replacement project account, the brownfield redevelopment trust fund account, the budget stabilization account, the capital vessel replacement account, the capitol building construction account, the Cedar River channel construction and operation account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the Chehalis basin account, the cleanup settlement account, the Columbia river basin water supply development account, the Columbia river basin taxable bond water supply development account, the Columbia river basin water supply revenue recovery account, the common school construction fund, the community forest trust account, the connecting Washington account, the county arterial preservation account, the county criminal justice assistance account, the deferred compensation administrative account, the deferred compensation principal account, the department of licensing services account, the department of licensing tuition recovery trust fund, the department of retirement systems expense account, the developmental disabilities community trust account, the diesel idle reduction account, the drinking water assistance account, the drinking water assistance administrative account, the early learning facilities development account, the early learning facilities revolving account, the Eastern Washington University capital projects account, the Interstate 405 express toll lanes operations account, the education

construction fund, the education legacy trust account, the election account, the electric vehicle charging infrastructure account, the energy freedom account, the energy recovery act account, the essential rail assistance account, The Evergreen State College capital projects account, the federal forest revolving account, the ferry bond retirement fund, the freight mobility investment account, the freight mobility multimodal account, the grade crossing protective fund, the public health services account, the high capacity transportation account, the state higher education construction account, the higher education construction account, the highway bond retirement fund, the highway infrastructure account, the highway safety fund, the high occupancy toll lanes operations account, the hospital safety net assessment fund, the industrial insurance premium refund account, the judges' retirement account, the judicial retirement administrative account, the judicial retirement principal account, the local leasehold excise tax account, the local real estate excise tax account, the local sales and use tax account, the marine resources stewardship trust account, the medical aid account, the mobile home park relocation fund, the money-purchase retirement savings administrative account, the money-purchase retirement savings principal account, the motor vehicle fund, the motorcycle safety education account, the multimodal transportation account, the multiuse roadway safety account, the municipal criminal justice assistance account, the natural resources deposit account, the oyster reserve land account, the pension funding stabilization account, the perpetual surveillance and maintenance account, the pollution liability insurance agency underground storage tank revolving account, the public employees' retirement system plan 1 account, the public employees' retirement system combined plan 2 and plan 3 account, the public facilities construction loan revolving account beginning July 1, 2004, the public health supplemental account, the public works assistance account, the Puget Sound capital construction account, the Puget Sound ferry operations account, the Puget Sound taxpayer accountability account, the real estate appraiser commission account, the recreational vehicle account, the regional mobility grant program account, the resource management cost account, the rural arterial trust account, the rural mobility grant program account, the rural Washington loan fund, the sexual assault prevention and response account, the site closure account, the skilled nursing facility safety net trust fund, the small city pavement and sidewalk account, the special category C account, the special wildlife account, the state employees' insurance account, the state employees' insurance reserve account, the state investment board expense account, the state investment board commingled trust fund accounts, the state patrol highway account, the state route number 520 civil penalties account, the state route number 520 corridor account, the state wildlife account, the student achievement council tuition recovery trust fund, the supplemental pension account, the Tacoma Narrows toll bridge account, the teachers' retirement system plan 1 account, the teachers' retirement system combined plan 2 and plan 3 account, the tobacco prevention and control account, the tobacco settlement account, the toll facility bond retirement account, the transportation 2003 account (nickel account), the transportation equipment fund, the transportation future funding program account, the transportation improvement account, the transportation improvement board bond retirement account, the transportation infrastructure account, the transportation partnership account, the traumatic brain injury

account, the tuition recovery trust fund, the University of Washington bond retirement fund, the University of Washington building account, the volunteer firefighters' and reserve officers' relief and pension principal fund, the volunteer firefighters' and reserve officers' administrative fund, the Washington judicial retirement system account, the Washington law enforcement officers' and firefighters' system plan 1 retirement account, the Washington law enforcement officers' and firefighters' system plan 2 retirement account, the Washington public safety employees' plan 2 retirement account, the Washington school employees' retirement system combined plan 2 and 3 account, the Washington state health insurance pool account, the Washington state patrol retirement account, the Washington State University building account, the Washington State University bond retirement fund, the water pollution control revolving administration account, the water pollution control revolving fund, the Western Washington University capital projects account, the Yakima integrated plan implementation account, the Yakima integrated plan implementation revenue recovery account, and the Yakima integrated plan implementation taxable bond account. Earnings derived from investing balances of the agricultural permanent fund, the normal school permanent fund, the permanent common school fund, the scientific permanent fund, the state university permanent fund, and the state reclamation revolving account shall be allocated to their respective beneficiary accounts.

(b) Any state agency that has independent authority over accounts or funds not statutorily required to be held in the state treasury that deposits funds into a fund or account in the state treasury pursuant to an agreement with the office of the state treasurer shall receive its proportionate share of earnings based upon each account's or fund's average daily balance for the period.

(5) In conformance with Article II, section 37 of the state Constitution, no treasury accounts or funds shall be allocated earnings without the specific affirmative directive of this section.

Passed by the House March 6, 2018.

Passed by the Senate March 1, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 204

[Engrossed Third Substitute House Bill 1488]

HIGHER EDUCATION--SCHOLARSHIPS AND RESIDENCY STATUS--IMMIGRATION STATUS

AN ACT Relating to expanding higher education opportunities for certain students; and amending RCW 28B.118.010, 28B.145.030, and 28B.15.012.

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

Sec. 1. RCW 28B.118.010 and 2017 3rd sp.s. c 20 s 11 are each amended to read as follows:

The office of student financial assistance shall design the Washington college bound scholarship program in accordance with this section and in alignment with the state need grant program in chapter 28B.92 RCW unless otherwise provided in this section.

(1) "Eligible students" are those students who:

(a) Qualify for free or reduced-price lunches. If a student qualifies in the seventh grade, the student remains eligible even if the student does not receive free or reduced-price lunches thereafter;

(b) Are dependent pursuant to chapter 13.34 RCW and:

(i) In grade seven through twelve; or

(ii) Are between the ages of eighteen and twenty-one and have not graduated from high school; or

(c) Were dependent pursuant to chapter 13.34 RCW and were adopted between the ages of fourteen and eighteen with a negotiated adoption agreement that includes continued eligibility for the Washington state college bound scholarship program pursuant to RCW 74.13A.025.

(2) Eligible students shall be notified of their eligibility for the Washington college bound scholarship program beginning in their seventh grade year. Students shall also be notified of the requirements for award of the scholarship.

(3)(a) To be eligible for a Washington college bound scholarship, a student eligible under subsection (1)(a) of this section must sign a pledge during seventh or eighth grade that includes a commitment to graduate from high school with at least a C average and with no felony convictions. The pledge must be witnessed by a parent or guardian and forwarded to the office of student financial assistance by mail or electronically, as indicated on the pledge form.

(b) A student eligible under subsection (1)(b) of this section shall be automatically enrolled, with no action necessary by the student or the student's family, and the enrollment form must be forwarded by the department of social and health services to the higher education coordinating board or its successor by mail or electronically, as indicated on the form.

(4)(a) Scholarships shall be awarded to eligible students graduating from public high schools, approved private high schools under chapter 28A.195 RCW, or who received home-based instruction under chapter 28A.200 RCW.

(b)(i) To receive the Washington college bound scholarship, a student must graduate with at least a "C" average from a public high school or an approved private high school under chapter 28A.195 RCW in Washington or have received home-based instruction under chapter 28A.200 RCW, must have no felony convictions, and must be a resident student as defined in RCW 28B.15.012(2) (a) through ~~((d))~~ (e). A student who is eligible to receive the Washington college bound scholarship because the student is a resident student under RCW 28B.15.012(2)(e) must provide the institution, as defined in RCW 28B.15.012, 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.

(ii) For eligible children as defined in subsection (1)(b) and (c) of this section, to receive the Washington college bound scholarship, a student must have received a high school equivalency certificate as provided in RCW 28B.50.536 or have graduated with at least a "C" average from a public high school or an approved private high school under chapter 28A.195 RCW in Washington or have received home-based instruction under chapter 28A.200 RCW, must have no felony convictions, and must be a resident student as defined in RCW 28B.15.012(2) (a) through ~~((d))~~ (e).

For a student who does not meet the "C" average requirement, and who completes fewer than two quarters in the running start program, under chapter 28A.600 RCW, the student's first quarter of running start course grades must be excluded from the student's overall grade point average for purposes of determining their eligibility to receive the scholarship.

(5) A student's family income will be assessed upon graduation before awarding the scholarship.

(6) If at graduation from high school the student's family income does not exceed sixty-five percent of the state median family income, scholarship award amounts shall be as provided in this section.

(a) For students attending two or four-year institutions of higher education as defined in RCW 28B.10.016, the value of the award shall be (i) the difference between the student's tuition and required fees, less the value of any state-funded grant, scholarship, or waiver assistance the student receives; (ii) plus five hundred dollars for books and materials.

(b) For students attending private four-year institutions of higher education in Washington, the award amount shall be the representative average of awards granted to students in public research universities in Washington or the representative average of awards granted to students in public research universities in Washington in the 2014-15 academic year, whichever is greater.

(c) For students attending private vocational schools in Washington, the award amount shall be the representative average of awards granted to students in public community and technical colleges in Washington or the representative average of awards granted to students in public community and technical colleges in Washington in the 2014-15 academic year, whichever is greater.

(7) Recipients may receive no more than four full-time years' worth of scholarship awards.

(8) Institutions of higher education shall award the student all need-based and merit-based financial aid for which the student would otherwise qualify. The Washington college bound scholarship is intended to replace unmet need, loans, and, at the student's option, work-study award before any other grants or scholarships are reduced.

(9) The first scholarships shall be awarded to students graduating in 2012.

(10) The state of Washington retains legal ownership of tuition units awarded as scholarships under this chapter until the tuition units are redeemed. These tuition units shall remain separately held from any tuition units owned under chapter 28B.95 RCW by a Washington college bound scholarship recipient.

(11) The scholarship award must be used within five years of receipt. Any unused scholarship tuition units revert to the Washington college bound scholarship account.

(12) Should the recipient terminate his or her enrollment for any reason during the academic year, the unused portion of the scholarship tuition units shall revert to the Washington college bound scholarship account.

Sec. 2. RCW 28B.145.030 and 2014 c 208 s 3 are each amended to read as follows:

(1) The program administrator, under contract with the council, shall staff the 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 board, include soliciting funds and setting annual fund-raising goals. The program administrator shall be paid an administrative fee as determined by the 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 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;

(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 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 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 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 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 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 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, or if ineligible to apply for federal student aid, the participant annually submits documentation of filing a state financial aid application as approved by the office of student financial assistance; and 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 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.

Sec. 3. RCW 28B.15.012 and 2017 c 191 s 1 are each amended to read as follows:

Whenever used in this chapter:

(1) The term "institution" shall mean a public university, college, or community or technical 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 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;

(j) A student who is entitled to transferred federal post-9/11 veterans educational assistance act of 2008 (38 U.S.C. Sec. 3301 et seq.) benefits based on the student's relationship as a spouse, former spouse, or child to an individual who is on active duty in the uniformed services;

(k) 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;

(l) A student who has separated from the uniformed services with any period of honorable service after at least ninety days of active duty service; is eligible for benefits under the federal all-volunteer force educational assistance program (38 U.S.C. Sec. 3001 et seq.), the federal post-9/11 veterans educational assistance act of 2008 (38 U.S.C. Sec. 3301 et seq.), or any other federal law authorizing educational assistance benefits for veterans; and enters an institution of higher education in Washington within three years of the date of separation;

(m) A student who is entitled to veterans administration educational assistance benefits based on the student's relationship as a spouse, former spouse, or child to an individual who has separated from the uniformed services with any period of honorable service after at least ninety days of active duty service, and who enters an institution of higher education in Washington within three years of the service member's date of separation;

(n) A student who is entitled to veterans administration educational assistance benefits based on the student's relationship with a deceased member of the uniformed services who died in the line of duty;

(o) 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;

(p) A student who meets the requirements of RCW 28B.15.0131 or 28B.15.0139: 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;

(q) 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

(r) 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)(a) A student who qualifies under subsection (2)(j), (l), (m), or (n) of this section and who remains continuously enrolled at an institution of higher education shall retain resident student status.

(b) Nothing in subsection (2)(j), (l), (m), or (n) of this section applies to students who have a dishonorable discharge from the uniformed services, or to students who are the spouse or child of an individual who has had a dishonorable discharge from the uniformed services, unless the student is receiving veterans administration educational assistance benefits.

(4) 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 (o) 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. This condition shall not apply to students from Columbia, Multnomah, Clatsop, Clackamas, or Washington county, Oregon participating in the border county pilot project under RCW 28B.76.685, 28B.76.690, and 28B.15.0139.

(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.~~), unless the person meets and complies with all applicable requirements in this section and RCW 28B.15.013 and is one of the following:

(i) A lawful permanent resident;

(ii) A temporary resident;

(iii) A person who holds "refugee-parolee," "conditional entrant," or U or T nonimmigrant status with the United States citizenship and immigration services;

(iv) A person who has been issued an employment authorization document by the United States citizenship and immigration services that is valid as of the date the person's residency status is determined;

(v) A person who has been granted deferred action for childhood arrival status before, on, or after the effective date of this section, regardless of whether the person is no longer or will no longer be granted deferred action for childhood arrival status due to the termination, suspension, or modification of the deferred action for childhood arrival program; or

(vi) A person who is otherwise permanently residing in the United States under color of law, including deferred action status.

(5) 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.

(6) 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.

(7) 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.

(8) The term "active duty service" means full-time duty, other than active duty for training, as a member of the uniformed services of the United States. Active duty service as a national guard member under Title 32 U.S.C. for the purpose of organizing, administering, recruiting, instructing, or training and active service under 32 U.S.C. Sec. 502(f) for the purpose of responding to a national emergency is recognized as active duty service.

(9) The term "uniformed services" is defined by Title 10 U.S.C.; subsequently structured and organized by Titles 14, 33, and 42 U.S.C.; consisting of the United States army, United States marine corps, United States navy, United States air force, United States coast guard, United States public health service commissioned corps, and the national oceanic and atmospheric administration commissioned officer corps.

Passed by the House March 3, 2018.

Passed by the Senate March 1, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 205

[Substitute House Bill 1524]

THERAPEUTIC COURTS--CRIMINAL JUSTICE TREATMENT ACCOUNT

AN ACT Relating to increasing success in therapeutic courts; amending RCW 71.24.580; and creating a new section.

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

NEW SECTION. Sec. 1. Drug courts remove a defendant's or respondent's case from the criminal and civil court traditional trial track and allow those defendants or respondents the opportunity to obtain treatment services to address particular issues that may have contributed to the conduct that led to their arrest or other issues before the court. Such courts, by focusing on specific individuals' needs, provide treatment for the issues presented and ensure rapid and appropriate accountability for program violations, which decreases recidivism, improves the safety of the community, and improves the life of the program participant and the lives of the participant's family members by decreasing the severity and frequency of the specific behavior addressed by the therapeutic court. Therefore, the legislature finds compelling the research conducted by the Washington state institute for public policy and the research and data analysis division of the department of social and health services showing that providing recovery support services to clients in drug courts creates a benefit to the state of approximately seven dollars and sixty cents in reduced public expenditures and reduced costs of victimization for each dollar spent. Therefore, it is the intent of the legislature to allow the use of a portion of the criminal justice treatment account to provide such services to foster increased success in drug courts.

Sec. 2. RCW 71.24.580 and 2017 3rd sp.s. c 1 s 981 are each amended to read as follows:

(1) The criminal justice treatment account is created in the state treasury. Moneys in the account may be expended solely for: (a) Substance use disorder treatment and treatment support services for offenders with a substance use disorder that, if not treated, would result in addiction, against whom charges are filed by a prosecuting attorney in Washington state; (b) the provision of substance use disorder treatment services and treatment support services for nonviolent offenders within a drug court program; and (c) the administrative and overhead costs associated with the operation of a drug court. Amounts provided in this subsection must be used for treatment and recovery support services for criminally involved offenders and authorization of these services shall not be subject to determinations of medical necessity. During the 2015-2017 fiscal biennium, the legislature may transfer from the criminal justice treatment account to the state general fund amounts as reflect the state savings associated with the implementation of the medicaid expansion of the federal affordable care act and the excess fund balance of the account. During the 2017-2019 fiscal biennium, the legislature may direct the state treasurer to make transfers of moneys in the criminal justice treatment account to the state general fund. It is the intent of the legislature to continue(~~(, in future biennia,)~~) in the 2019-2021 biennium the policy of transferring to the state general fund such amounts as reflect the excess fund balance of the account. Moneys in the account may be spent only after appropriation.

(2) For purposes of this section:

(a) "Treatment" means services that are critical to a participant's successful completion of his or her substance use disorder treatment program, ~~((but does not include the following services: Housing other than that provided as part of an inpatient substance use disorder treatment program, vocational training, and mental health counseling))~~ including but not limited to the recovery support and other programmatic elements outlined in RCW 2.30.030 authorizing therapeutic courts; and

(b) "Treatment support" ~~((means))~~ includes transportation to or from inpatient or outpatient treatment services when no viable alternative exists, and child care services that are necessary to ensure a participant's ability to attend outpatient treatment sessions.

(3) Revenues to the criminal justice treatment account consist of: (a) Funds transferred to the account pursuant to this section; and (b) any other revenues appropriated to or deposited in the account.

(4)(a) For the fiscal year beginning July 1, 2005, and each subsequent fiscal year, the state treasurer shall transfer eight million two hundred fifty thousand dollars from the general fund to the criminal justice treatment account, divided into four equal quarterly payments. For the fiscal year beginning July 1, 2006, and each subsequent fiscal year, the amount transferred shall be increased on an annual basis by the implicit price deflator as published by the federal bureau of labor statistics.

(b) In each odd-numbered year, the legislature shall appropriate the amount transferred to the criminal justice treatment account in (a) of this subsection to the department for the purposes of subsection (5) of this section.

(5) Moneys appropriated to the department from the criminal justice treatment account shall be distributed as specified in this subsection. The department may retain up to three percent of the amount appropriated under subsection (4)(b) of this section for its administrative costs.

(a) Seventy percent of amounts appropriated to the department from the account shall be distributed to counties pursuant to the distribution formula adopted under this section. The division of alcohol and substance abuse, in consultation with the department of corrections, the Washington state association of counties, the Washington state association of drug court professionals, the superior court judges' association, the Washington association of prosecuting attorneys, representatives of the criminal defense bar, representatives of substance use disorder treatment providers, and any other person deemed by the department to be necessary, shall establish a fair and reasonable methodology for distribution to counties of moneys in the criminal justice treatment account. County or regional plans submitted for the expenditure of formula funds must be approved by the panel established in (b) of this subsection.

(b) Thirty percent of the amounts appropriated to the department from the account shall be distributed as grants for purposes of treating offenders against whom charges are filed by a county prosecuting attorney. The department shall appoint a panel of representatives from the Washington association of prosecuting attorneys, the Washington association of sheriffs and police chiefs, the superior court judges' association, the Washington state association of counties, the Washington defender's association or the Washington association of criminal defense lawyers, the department of corrections, the Washington state association of drug court professionals, substance use disorder treatment

providers, and the division. The panel shall review county or regional plans for funding under (a) of this subsection and grants approved under this subsection. The panel shall attempt to ensure that treatment as funded by the grants is available to offenders statewide.

(6) The county alcohol and drug coordinator, county prosecutor, county sheriff, county superior court, a substance abuse treatment provider appointed by the county legislative authority, a member of the criminal defense bar appointed by the county legislative authority, and, in counties with a drug court, a representative of the drug court shall jointly submit a plan, approved by the county legislative authority or authorities, to the panel established in subsection (5)(b) of this section, for disposition of all the funds provided from the criminal justice treatment account within that county. The funds shall be used solely to provide approved alcohol and substance abuse treatment pursuant to RCW 71.24.560(7) and treatment support services ~~(, and for the administrative and overhead costs associated with the operation of a drug court.~~

~~(a) No more than ten percent of the total moneys received under subsections (4) and (5) of this section by a county or group of counties participating in a regional agreement shall be spent on the administrative and overhead costs associated with the operation of a drug court.~~

~~(b))~~. No more than ten percent of the total moneys received under subsections (4) and (5) of this section by a county or group of counties participating in a regional agreement shall be spent for treatment support services.

(7) Counties are encouraged to consider regional agreements and submit regional plans for the efficient delivery of treatment under this section.

(8) Moneys allocated under this section shall be used to supplement, not supplant, other federal, state, and local funds used for substance abuse treatment.

(9) Counties must meet the criteria established in RCW 2.30.030(3).

~~((10) The authority under this section to use funds from the criminal justice treatment account for the administrative and overhead costs associated with the operation of a drug court expires June 30, 2015.)~~

Passed by the House March 5, 2018.

Passed by the Senate March 2, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 206

[Engrossed Second Substitute House Bill 1600]

WORK-INTEGRATED LEARNING INITIATIVE

AN ACT Relating to increasing the career and college readiness of public school students; adding a new section to chapter 28A.630 RCW; adding new sections to chapter 28A.300 RCW; and providing an expiration date.

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

NEW SECTION. Sec. 1. A new section is added to chapter 28A.630 RCW to read as follows:

(1) The work-integrated learning initiative is established. The purpose of the initiative is to promote work-integrated learning experiences for students by providing:

(a) An opportunity for students to engage in work-based academic programs with public and private sector employers, such as internships, externships, and registered apprenticeships; and

(b) A framework for the development and replication of successful work-integrated learning programs throughout the state.

(2) Local applicant schools receiving funding through participation in the initiative must:

(a) Provide academic curricula in a work-integrated and career-contextualized manner and include an external mentor for each student in the program;

(b) Demonstrate collaboration with and input from students, parents or guardians, local employers, community members, a workforce development council, and a labor organization. Evidence of local collaborations may include but are not limited to partnerships with a dropout reengagement organization, an apprenticeship sponsor, a community and technical college, a STEM network, or a homeless youth service organization;

(c) Reflect local circumstances, including local industries, employers, and labor markets;

(d) Comply with graduation requirements established by the state board of education; and

(e) Align the high school and beyond plans of participating students to reflect opportunities that may be available through the initiative.

(3)(a) Local applicant schools selected to participate in the work-integrated learning initiative must, in accordance with this section and section 3 of this act, submit to the work-integrated learning advisory committee created in section 3 of this act an interim and an end-of-project report that includes numeric and other data summarizing the effects of their work-integrated learning project programs on high school graduation rates, state test scores, and community partnerships, including partnerships with local employers and industries.

(b) In complying with this subsection (3), local applicant schools must also provide other data and information as requested by the work-integrated learning advisory committee in accordance with section 3 of this act.

(4) For the purposes of this section and sections 2 and 3 of this act, "work-integrated learning" includes but is not limited to early, frequent, and systematic learning experiences that are essential for preparing Washington youth for high-demand, family-wage jobs in Washington state, and that engage students in grades five through twelve or through high school dropout reengagement plans.

NEW SECTION. Sec. 2. A new section is added to chapter 28A.300 RCW to read as follows:

(1)(a) The office of the superintendent of public instruction may contract with a statewide nonprofit organization with expertise in promoting and supporting work-integrated learning from early learning through postsecondary education to establish a matching grant program to fund projects implemented by local applicant schools identified in section 1 of this act.

(b) The matching grant program shall include the following minimum requirements for local applicant schools:

(i) Measurable and accountable focus on low-income youth, homeless youth, and youth of color;

(ii) Accountability for increasing registered youth apprenticeships, internships, mentors, career planning, and other work-integrated learning experiences;

(iii) Regional coordinators or liaisons to facilitate links between schools, higher education institutions, business, labor, and the community in developing internships and other work-integrated learning experiences; and

(iv) System-wide support for work-integrated learning experiences, including but not limited to career awareness, career explorations, career counseling, and career preparation and training.

(2)(a) Grant funds awarded in accordance with this section may be expended only to the extent that they are equally matched by private sector cash contributions for the program. Grantees must provide reports to the work-integrated learning advisory committee in accordance with section 3 of this act.

(b) By November 15, 2020, and yearly thereafter, the office of the superintendent of public instruction must provide an evaluation to the governor and the education and economic development committees of the house of representatives and the senate.

NEW SECTION. Sec. 3. A new section is added to chapter 28A.300 RCW to read as follows:

(1) The superintendent of public instruction, in consultation with the employment security department and the workforce training and education coordinating board, shall convene a work-integrated learning advisory committee to provide advice to the legislature and the education and workforce sectors on creating opportunities for students to: Explore and understand a wide range of career-related opportunities through applied learning; engage with industry mentors; and plan for career and college success.

(2) The committee shall:

(a) Assist the office of the superintendent of public instruction in the development of an application process and the selection of local applicant schools to participate in the initiative established in section 1 of this act;

(b) Advise the superintendent of public instruction on the development and implementation of work-integrated learning instructional programs;

(c) Review the instructional programs of projects funded through the career connect Washington program with grant moneys from the federal workforce innovation and opportunity act, P.L. 113-128, related to work-integrated learning, a type of learning that is also referred to as "career connected learning," and of local applicant schools selected to develop and implement work-integrated learning project programs under section 1 of this act. The purpose of the review required by this subsection (2)(c) is to determine:

(i) The impact on in-school progress, high school graduation rates, state test scores, indicators of career and college readiness, employment outcomes, and community partnerships. In accordance with this subsection (2)(c), and to the maximum extent practicable, the review must consider both overall impacts and reductions or other changes in opportunity gaps;

(ii) Best practices for partnering with industry and the local community to create opportunities for applied learning through internships, externships, registered youth apprenticeships, and mentorships; and

(iii) Best practices for linking high school and beyond plans with work-integrated and career-related learning opportunities and increasing college readiness;

(d) Analyze barriers to statewide adoption of work-integrated and career-related learning opportunities and instructional programs;

(e) Recommend policies to implement work-integrated and career-related strategies that increase college and career readiness of students statewide. Policies recommended under this subsection (2)(e) may include, but are not limited to: (i) Policies related to aligning career and technical education programs with statewide and local industry projections and career cluster needs evidenced through economic development data and appropriate longitudinal data; and (ii) the completion of remedial courses required by colleges and universities;

(f) Consult with individuals from the public and private sectors with expertise in career and technical education and work-integrated training, including representatives of labor unions, professional technical organizations, and business and industry; and

(g) Work collaboratively, as appropriate, with the expanded learning opportunities advisory council as provided in chapter . . . , Laws of 2018 (Engrossed Substitute House Bill No. 2802).

(3) The committee must, at a minimum, be composed of the following members:

(a) One member from each of the two largest caucuses of the senate, appointed by the president of the senate;

(b) One member from each of the two largest caucuses of the house of representatives, appointed by the speaker of the house of representatives;

(c) The superintendent of public instruction or the superintendent's designee;

(d) One educator representing the K-12 career and technical education sector, appointed by the superintendent of public instruction, as determined from recommendations of the association for career and technical education;

(e) One school counselor appointed by the superintendent of public instruction, as determined from recommendations of the school counselor association;

(f) One educator representing the community and technical colleges, appointed by the state board for community and technical colleges;

(g) One member of the governor's office specializing in career and technical education and workforce needs, appointed by the governor; and

(h) One member of the workforce training and education coordinating board, designated by the workforce training and education coordinating board.

(4) The committee shall convene a subcommittee that includes members representing manufacturing, industry, labor, apprenticeships, and other members with specialized expertise.

(5) The chair or cochairs of the committee and subcommittee must be selected by the members of the committee.

(6) Staff support for the committee and the subcommittee must be provided by the office of the superintendent of public instruction.

(7) The committee shall report its findings and recommendations to the state board for community and technical colleges, the state board of education, the

student achievement council, and, in accordance with RCW 43.01.036, the education committees and economic development committees of the house of representatives and the senate by July 1, 2022.

(8) This section expires September 1, 2022.

Passed by the House February 9, 2018.

Passed by the Senate February 27, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 207

[Engrossed Second Substitute House Bill 1622]

STATE BUILDING CODE COUNCIL

AN ACT Relating to the state building code council; amending RCW 19.27.015, 19.27.035, 19.27.070, 19.27.074, 19.27.085, 19.27A.020, and 18.08.240; reenacting and amending RCW 34.05.328; adding a new section to chapter 19.27 RCW; adding a new section to chapter 18.08 RCW; and providing effective dates.

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

Sec. 1. RCW 19.27.015 and 2009 c 362 s 2 are each amended to read as follows:

As used in this chapter:

(1) "Agricultural structure" means a structure designed and constructed to house farm implements, hay, grain, poultry, livestock, or other horticultural products. This structure may not be a place of human habitation or a place of employment where agricultural products are processed, treated, or packaged, nor may it be a place used by the public~~((;))~~.

(2) "City" means a city or town~~((;))~~.

(3) "Commercial building permit" means a building permit issued by a city or a county to construct, enlarge, alter, repair, move, demolish, or change the occupancy of any building not covered by a residential building permit.

(4) "Multifamily residential building" means common wall residential buildings that consist of four or fewer units, that do not exceed two stories in height, that are less than five thousand square feet in area, and that have a one-hour fire-resistive occupancy separation between units~~((; and))~~.

~~((4))~~ (5) "Residential building permit" means a building permit issued by a city or a county to construct, enlarge, alter, repair, move, demolish, or change the occupancy of any building containing only dwelling units used for independent living of one or more persons including permanent provisions for living, sleeping, eating, cooking, and sanitation, and structures accessory to dwelling units, such as detached garages and storage buildings.

(6) "Temporary growing structure" means a structure that has the sides and roof covered with polyethylene, polyvinyl, or similar flexible synthetic material and is used to provide plants with either frost protection or increased heat retention.

Sec. 2. RCW 19.27.035 and 1989 c 266 s 6 are each amended to read as follows:

The building code council shall~~((; within one year of July 23, 1989;))~~:

(1) By July 1, 2019, adopt a revised process for the review of proposed statewide amendments to the codes enumerated in RCW 19.27.031((5)); and

(2) Adopt a process for the review of proposed or enacted local amendments to the codes enumerated in RCW 19.27.031 as amended and adopted by the state building code council.

Sec. 3. RCW 19.27.070 and 2011 1st sp.s. c 43 s 244 are each amended to read as follows:

There is hereby established in the department of enterprise services a state building code council, to be appointed by the governor.

(1) The state building code council shall consist of fifteen members:

(a) Two members must be county elected legislative body members or elected executives;

(b) Two members must be city elected legislative body members or mayors;

(c) One member must be a local government building code enforcement official;

(d) One member must be a local government fire service official;

(e) One member must be a person with a physical disability and shall represent the disability community;

(f) One member, who is not eligible for membership on the council in any other capacity, and who has not previously been nominated or appointed to the council to represent any other group, must represent the general public; and

(g) Seven members must represent the private sector or professional organizations as follows:

(i) One member shall represent general construction, specializing in commercial and industrial building construction;

~~((f))~~ (ii) One member shall represent general construction, specializing in residential and multifamily building construction;

~~((g))~~ (iii) One member shall represent the architectural design profession;

~~((h))~~ (iv) One member shall represent the structural engineering profession;

~~((i))~~ (v) One member shall represent the mechanical engineering profession;

~~((j))~~ (vi) One member shall represent the construction building trades;

~~((k))~~ (vii) One member shall represent manufacturers, installers, or suppliers of building materials and components((5

~~(1) One member must be a person with a physical disability and shall represent the disability community; and~~

~~(m) One member shall represent the general public)).~~

(2) At least six of these fifteen members shall reside east of the crest of the Cascade mountains.

(3) The council shall include: Two members of the house of representatives appointed by the speaker of the house, one from each caucus; two members of the senate appointed by the president of the senate, one from each caucus; and an employee of the electrical division of the department of labor and industries, as ex officio, nonvoting members with all other privileges and rights of membership.

(4)(a) Terms of office shall be for three years, or for so long as the member remains qualified for the appointment.

(b) The council shall elect a member to serve as chair of the council for one-year terms of office.

(c) Any member who is appointed by virtue of being an elected official or holding public employment shall be removed from the council if he or she ceases being such an elected official or holding such public employment.

~~(d) (Any member who is appointed to represent a specific private sector industry must maintain sufficiently similar employment or circumstances throughout the term of office to remain qualified to represent the specified industry. Retirement or unemployment is not cause for termination. However, if a councilmember enters into employment outside of the industry he or she has been appointed to represent, then he or she shall be removed from the council.)~~
Any member who is appointed to represent a specific private sector industry must maintain sufficiently similar private sector employment or circumstances throughout the term of office to remain qualified to represent the specified industry. Retirement or unemployment is not cause for termination. However, if a councilmember appointed to represent a specific private sector industry enters into employment outside of the industry, or outside of the private sector, he or she has been appointed to represent, then he or she must be removed from the council.

(e) Any member who no longer qualifies for appointment under this section may not vote on council actions, but may participate as an ex officio, nonvoting member until a replacement member is appointed. A member must notify the council staff and the governor's office within thirty days of the date the member no longer qualifies for appointment under this section. The governor shall appoint a qualified replacement for the member within sixty days of notice.

(5) Before making any appointments to the building code council, the governor shall seek nominations from recognized organizations which represent the entities or interests identified in this section. The governor shall select appointees to represent private sector industries from a list of three nominations provided by the trade associations representing the industry, unless no names are put forth by the trade associations.

(6) Members shall not be compensated but shall receive reimbursement for travel expenses in accordance with RCW 43.03.050 and 43.03.060.

~~(7) ((The department of enterprise services shall provide administrative and clerical assistance to the building code council.))~~ For purposes of this section, a "professional organization" includes an entity whose members are engaged in a particular lawful vocation, occupation, or field of activity of a specialized nature, including but not limited to associations, boards, educational institutions, and nonprofit organizations.

Sec. 4. RCW 19.27.074 and 1989 c 266 s 3 are each amended to read as follows:

(1) The state building code council shall:

(a) Adopt and maintain the codes to which reference is made in RCW 19.27.031 in a status which is consistent with the state's interest as set forth in RCW 19.27.020. In maintaining these codes, the council shall regularly review updated versions of the codes referred to in RCW 19.27.031 and other pertinent information and shall amend the codes as deemed appropriate by the council;

(b) Approve or deny all county or city amendments to any code referred to in RCW 19.27.031 to the degree the amendments apply to single-family or multifamily residential buildings;

(c) As required by the legislature, develop and adopt any codes relating to buildings; and

(d) ~~((Propose a))~~ Approve a proposed budget for the operation of the state building code council to be submitted by the department of enterprise services to the office of financial management pursuant to RCW 43.88.090.

(2) The state building code council may:

(a) Appoint technical advisory committees which may include members of the council;

(b) ~~((Employ permanent and temporary staff and))~~ Approve contracts for services; and

(c) Conduct research into matters relating to any code or codes referred to in RCW 19.27.031 or any related matter.

(3) The department of enterprise services, with the advice and input from the members of the building code council, shall:

(a) Employ permanent and temporary staff and contract for services;

(b) Contract with an independent, third-party entity to perform a Washington energy code baseline economic analysis and economic analysis of code proposals; and

(c) Provide all administrative and information technology services required for the building code council.

(4) Rule-making authority as authorized in this chapter resides within the building code council.

(5)(a) All meetings of the state building code council shall be open to the public under the open public meetings act, chapter 42.30 RCW. All actions of the state building code council which adopt or amend any code of statewide applicability shall be pursuant to the administrative procedure act, chapter 34.05 RCW.

(b) All council decisions relating to the codes enumerated in RCW 19.27.031 shall require approval by at least a majority of the members of the council.

(c) All decisions to adopt or amend codes of statewide application shall be made prior to December 1 of any year and shall not take effect before the end of the regular legislative session in the next year.

Sec. 5. RCW 19.27.085 and 1989 c 256 s 1 are each amended to read as follows:

(1) There is hereby created the building code council account in the state treasury. Moneys deposited into the account shall be used by the building code council, after appropriation, to perform the purposes of the council.

(2) All moneys collected under subsection (3) of this section shall be deposited into the building code council account. Every four years the state treasurer shall report to the legislature on the balances in the account so that the legislature may adjust the charges imposed under subsection (3) of this section.

(3) There is imposed a fee of ~~((four))~~ six dollars and fifty cents on each residential building permit and a fee of twenty-five dollars for each commercial building permit, issued by a county or a city, plus an additional surcharge of two dollars for each residential unit, but not including the first unit, on each building

containing more than one residential unit. Quarterly each county and city shall remit moneys collected under this section to the state treasury; however, no remittance is required until a minimum of fifty dollars has accumulated pursuant to this subsection.

NEW SECTION. **Sec. 6.** A new section is added to chapter 19.27 RCW to read as follows:

The building code council in consultation with the office of the chief information officer shall assess the costs and benefits of the potential acquisition and implementation of open public access information technologies to enhance the council's code adoption process and report back to the appropriate committees of the legislature by November 15, 2018.

Sec. 7. RCW 19.27A.020 and 2015 c 11 s 3 are each amended to read as follows:

(1) The state building code council in the department of enterprise services shall adopt rules to be known as the Washington state energy code as part of the state building code.

(2) The council shall follow the legislature's standards set forth in this section to adopt rules to be known as the Washington state energy code. The Washington state energy code shall be designed to:

(a) Construct increasingly energy efficient homes and buildings that help achieve the broader goal of building zero fossil-fuel greenhouse gas emission homes and buildings by the year 2031;

(b) Require new buildings to meet a certain level of energy efficiency, but allow flexibility in building design, construction, and heating equipment efficiencies within that framework; and

(c) Allow space heating equipment efficiency to offset or substitute for building envelope thermal performance.

(3) The Washington state energy code shall take into account regional climatic conditions. One climate zone includes: Adams, Asotin, Benton, Chelan, Columbia, Douglas, Ferry, Franklin, Garfield, Grant, Kittitas, Klickitat, Lincoln, Okanogan, Pend Oreille, Skamania, Spokane, Stevens, Walla Walla, Whitman, and Yakima counties. The other climate zone includes all other counties not listed in this subsection (3). The assignment of a county to a climate zone may not be changed by adoption of a model code or rule. Nothing in this section prohibits the council from adopting the same rules or standards for each climate zone.

(4) The Washington state energy code for residential buildings shall be the 2006 edition of the Washington state energy code, or as amended by rule by the council.

(5) The minimum state energy code for new nonresidential buildings shall be the Washington state energy code, 2006 edition, or as amended by the council by rule.

(6)(a) Except as provided in (b) of this subsection, the Washington state energy code for residential structures shall preempt the residential energy code of each city, town, and county in the state of Washington.

(b) The state energy code for residential structures does not preempt a city, town, or county's energy code for residential structures which exceeds the requirements of the state energy code and which was adopted by the city, town,

or county prior to March 1, 1990. Such cities, towns, or counties may not subsequently amend their energy code for residential structures to exceed the requirements adopted prior to March 1, 1990.

(7) The state building code council shall consult with the department of enterprise services as provided in RCW 34.05.310 prior to publication of proposed rules. The director of the department of enterprise services shall recommend to the state building code council any changes necessary to conform the proposed rules to the requirements of this section.

(8) The state building code council shall evaluate and consider adoption of the international energy conservation code in Washington state in place of the existing state energy code.

(9) The definitions in RCW 19.27A.140 apply throughout this section.

Sec. 8. RCW 34.05.328 and 2011 c 298 s 21 and 2011 c 149 s 1 are each reenacted and amended to read as follows:

(1) Before adopting a rule described in subsection (5) of this section, an agency must:

(a) Clearly state in detail the general goals and specific objectives of the statute that the rule implements;

(b) Determine that the rule is needed to achieve the general goals and specific objectives stated under (a) of this subsection, and analyze alternatives to rule making and the consequences of not adopting the rule;

(c) Provide notification in the notice of proposed rule making under RCW 34.05.320 that a preliminary cost-benefit analysis is available. The preliminary cost-benefit analysis must fulfill the requirements of the cost-benefit analysis under (d) of this subsection. If the agency files a supplemental notice under RCW 34.05.340, the supplemental notice must include notification that a revised preliminary cost-benefit analysis is available. A final cost-benefit analysis must be available when the rule is adopted under RCW 34.05.360;

(d) Determine that the probable benefits of the rule are greater than its probable costs, taking into account both the qualitative and quantitative benefits and costs and the specific directives of the statute being implemented;

(e) Determine, after considering alternative versions of the rule and the analysis required under (b), (c), and (d) of this subsection, that the rule being adopted is the least burdensome alternative for those required to comply with it that will achieve the general goals and specific objectives stated under (a) of this subsection;

(f) Determine that the rule does not require those to whom it applies to take an action that violates requirements of another federal or state law;

(g) Determine that the rule does not impose more stringent performance requirements on private entities than on public entities unless required to do so by federal or state law;

(h) Determine if the rule differs from any federal regulation or statute applicable to the same activity or subject matter and, if so, determine that the difference is justified by the following:

(i) A state statute that explicitly allows the agency to differ from federal standards; or

(ii) Substantial evidence that the difference is necessary to achieve the general goals and specific objectives stated under (a) of this subsection; and

(i) Coordinate the rule, to the maximum extent practicable, with other federal, state, and local laws applicable to the same activity or subject matter.

(2) In making its determinations pursuant to subsection (1)(b) through (h) of this section, the agency must place in the rule-making file documentation of sufficient quantity and quality so as to persuade a reasonable person that the determinations are justified.

(3) Before adopting rules described in subsection (5) of this section, an agency must place in the rule-making file a rule implementation plan for rules filed under each adopting order. The plan must describe how the agency intends to:

(a) Implement and enforce the rule, including a description of the resources the agency intends to use;

(b) Inform and educate affected persons about the rule;

(c) Promote and assist voluntary compliance; and

(d) Evaluate whether the rule achieves the purpose for which it was adopted, including, to the maximum extent practicable, the use of interim milestones to assess progress and the use of objectively measurable outcomes.

(4) After adopting a rule described in subsection (5) of this section regulating the same activity or subject matter as another provision of federal or state law, an agency must do all of the following:

(a) Coordinate implementation and enforcement of the rule with the other federal and state entities regulating the same activity or subject matter by making every effort to do one or more of the following:

(i) Deferring to the other entity;

(ii) Designating a lead agency; or

(iii) Entering into an agreement with the other entities specifying how the agency and entities will coordinate implementation and enforcement.

If the agency is unable to comply with this subsection (4)(a), the agency must report to the legislature pursuant to (b) of this subsection;

(b) Report to the joint administrative rules review committee:

(i) The existence of any overlap or duplication of other federal or state laws, any differences from federal law, and any known overlap, duplication, or conflict with local laws; and

(ii) Make recommendations for any legislation that may be necessary to eliminate or mitigate any adverse effects of such overlap, duplication, or difference.

(5)(a) Except as provided in (b) of this subsection, this section applies to:

(i) Significant legislative rules of the departments of ecology, labor and industries, health, revenue, social and health services, and natural resources, the employment security department, the forest practices board, the office of the insurance commissioner, the state building code council, and to the legislative rules of the department of fish and wildlife implementing chapter 77.55 RCW; and

(ii) Any rule of any agency, if this section is voluntarily made applicable to the rule by the agency, or is made applicable to the rule by a majority vote of the joint administrative rules review committee within forty-five days of receiving the notice of proposed rule making under RCW 34.05.320.

(b) This section does not apply to:

(i) Emergency rules adopted under RCW 34.05.350;

(ii) Rules relating only to internal governmental operations that are not subject to violation by a nongovernment party;

(iii) Rules adopting or incorporating by reference without material change federal statutes or regulations, Washington state statutes, rules of other Washington state agencies, shoreline master programs other than those programs governing shorelines of statewide significance, or, as referenced by Washington state law, national consensus codes that generally establish industry standards, if the material adopted or incorporated regulates the same subject matter and conduct as the adopting or incorporating rule;

(iv) Rules that only correct typographical errors, make address or name changes, or clarify language of a rule without changing its effect;

(v) Rules the content of which is explicitly and specifically dictated by statute;

(vi) Rules that set or adjust fees under the authority of RCW 19.02.075 or that set or adjust fees or rates pursuant to legislative standards, including fees set or adjusted under the authority of RCW 19.80.045;

(vii) Rules of the department of social and health services relating only to client medical or financial eligibility and rules concerning liability for care of dependents; or

(viii) Rules of the department of revenue that adopt a uniform expiration date for reseller permits as authorized in RCW 82.32.780 and 82.32.783.

(c) For purposes of this subsection:

(i) A "procedural rule" is a rule that adopts, amends, or repeals (A) any procedure, practice, or requirement relating to any agency hearings; (B) any filing or related process requirement for making application to an agency for a license or permit; or (C) any policy statement pertaining to the consistent internal operations of an agency.

(ii) An "interpretive rule" is a rule, the violation of which does not subject a person to a penalty or sanction, that sets forth the agency's interpretation of statutory provisions it administers.

(iii) A "significant legislative rule" is a rule other than a procedural or interpretive rule that (A) adopts substantive provisions of law pursuant to delegated legislative authority, the violation of which subjects a violator of such rule to a penalty or sanction; (B) establishes, alters, or revokes any qualification or standard for the issuance, suspension, or revocation of a license or permit; or (C) adopts a new, or makes significant amendments to, a policy or regulatory program.

(d) In the notice of proposed rule making under RCW 34.05.320, an agency must state whether this section applies to the proposed rule pursuant to (a)(i) of this subsection, or if the agency will apply this section voluntarily.

(6) By January 31, 1996, and by January 31st of each even-numbered year thereafter, the office of regulatory assistance, after consulting with state agencies, counties, and cities, and business, labor, and environmental organizations, must report to the governor and the legislature regarding the effects of this section on the regulatory system in this state. The report must document:

(a) The rules proposed to which this section applied and to the extent possible, how compliance with this section affected the substance of the rule, if any, that the agency ultimately adopted;

- (b) The costs incurred by state agencies in complying with this section;
- (c) Any legal action maintained based upon the alleged failure of any agency to comply with this section, the costs to the state of such action, and the result;
- (d) The extent to which this section has adversely affected the capacity of agencies to fulfill their legislatively prescribed mission;
- (e) The extent to which this section has improved the acceptability of state rules to those regulated; and
- (f) Any other information considered by the office of financial management to be useful in evaluating the effect of this section.

Sec. 9. RCW 18.08.240 and 1991 sp.s. c 13 s 2 are each amended to read as follows:

There is established in the state treasury the architects' license account, into which all fees paid pursuant to this chapter shall be paid, except as provided in section 10 of this act.

NEW SECTION. **Sec. 10.** A new section is added to chapter 18.08 RCW to read as follows:

(1) There is imposed a fee of six dollars and fifty cents on each certificate of registration, renewal of a certificate of registration, certificate of authorization, and renewal of a certificate of authorization, issued by the director. The director must collect this fee and must quarterly remit moneys collected under this subsection to the state treasury.

(2) The fee established by subsection (1) of this section is in addition to other fees authorized by this chapter and prescribed by the director under RCW 43.24.086.

(3) All moneys collected under subsection (1) of this section must be deposited into the building code council account in the state treasury.

NEW SECTION. **Sec. 11.** Sections 1 through 8 of this act take effect July 1, 2018.

NEW SECTION. **Sec. 12.** Sections 9 and 10 of this act take effect October 1, 2018.

Passed by the House February 8, 2018.

Passed by the Senate February 28, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 208

[Engrossed House Bill 2008]

CORE STATE SERVICES FOR CHILDREN--BUDGETING

AN ACT Relating to the budgeting process for core state services for children; amending RCW 43.88C.010; adding a new section to chapter 74.13 RCW; adding a new section to chapter 43.88 RCW; creating new sections; and providing expiration dates.

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

****NEW SECTION. Sec. 1. The legislature finds that effective planning for and implementation of core state services for children requires predictability and stability in the budgeting process for these services. For***

these reasons, the legislature intends that costs for behavioral rehabilitation services, child protective services staff, and contracted visitation services be included in the state budgeting process at maintenance level. By implementing consistent statewide assessments, forecasting program caseloads, and incorporating forecast-based program costs into the maintenance level budget, the state can ensure predictable funding levels for this program.

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

NEW SECTION. Sec. 2. (1) The children and families services program of the department of social and health services through June 30, 2018, and of the department of children, youth, and families effective July 1, 2018, shall facilitate a stakeholder work group in a collaborative effort to design a behavioral rehabilitation services rate payment methodology that is based on actual provider costs of care. The work group may consider the findings of a contracted rate analysis in designing the methodology. By November 30, 2018, and in compliance with RCW 43.01.036, the department of children, youth, and families must submit a report with the final work group findings and recommendations to the appropriate legislative committees.

(2) This section expires December 31, 2018.

NEW SECTION. Sec. 3. A new section is added to chapter 74.13 RCW to read as follows:

The office of innovation, alignment, and accountability must develop a single validated tool to assess the care needs of foster children. Once the validated tool is available for use on a statewide basis, the department of children, youth, and families must use the tool for assessing the care needs of foster children, including but not limited to whether the department should provide foster children with behavioral rehabilitation services. The department must notify the caseload forecast council, the office of financial management, and the appropriate fiscal committees of the legislature when it begins statewide use of the validated tool.

Sec. 4. RCW 43.88C.010 and 2015 c 128 s 2 are each amended to read as follows:

(1) The caseload forecast council is hereby created. The council shall consist of two individuals appointed by the governor and four individuals, one of whom is appointed by the chairperson of each of the two largest political caucuses in the senate and house of representatives. The chair of the council shall be selected from among the four caucus appointees. The council may select such other officers as the members deem necessary.

(2) The council shall employ a caseload forecast supervisor to supervise the preparation of all caseload forecasts. As used in this chapter, "supervisor" means the caseload forecast supervisor.

(3) Approval by an affirmative vote of at least five members of the council is required for any decisions regarding employment of the supervisor. Employment of the supervisor shall terminate after each term of three years. At the end of the first year of each three-year term the council shall consider extension of the supervisor's term by one year. The council may fix the compensation of the supervisor. The supervisor shall employ staff sufficient to accomplish the purposes of this section.

(4) The caseload forecast council shall oversee the preparation of and approve, by an affirmative vote of at least four members, the official state caseload forecasts prepared under RCW 43.88C.020. If the council is unable to approve a forecast before a date required in RCW 43.88C.020, the supervisor shall submit the forecast without approval and the forecast shall have the same effect as if approved by the council.

(5) A councilmember who does not cast an affirmative vote for approval of the official caseload forecast may request, and the supervisor shall provide, an alternative forecast based on assumptions specified by the member.

(6) Members of the caseload forecast council shall serve without additional compensation but shall be reimbursed for travel expenses in accordance with RCW 44.04.120 while attending sessions of the council or on official business authorized by the council. Nonlegislative members of the council shall be reimbursed for travel expenses in accordance with RCW 43.03.050 and 43.03.060.

(7) "Caseload," as used in this chapter, means:

(a) The number of persons expected to meet entitlement requirements and require the services of public assistance programs, state correctional institutions, state correctional noninstitutional supervision, state institutions for juvenile offenders, the common school system, long-term care, medical assistance, foster care, and adoption support;

(b) The number of students who are eligible for the Washington college bound scholarship program and are expected to attend an institution of higher education as defined in RCW 28B.92.030;

(c) The number of children who are eligible, as defined in RCW ((43.215.405)) 43.216.505, to participate in, and the number of children actually served by, the early childhood education and assistance program.

(8) The caseload forecast council shall forecast the temporary assistance for needy families and the working connections child care programs as a courtesy.

(9) The caseload forecast council shall forecast youth participating in the extended foster care program pursuant to RCW 74.13.031 separately from other children who are residing in foster care and who are under eighteen years of age.

(10) The caseload forecast council shall forecast the number of youth expected to receive behavioral rehabilitation services while involved in the foster care system and the number of screened in reports of child abuse or neglect.

(11) Unless the context clearly requires otherwise, the definitions provided in RCW 43.88.020 apply to this chapter.

NEW SECTION. Sec. 5. A new section is added to chapter 43.88 RCW to read as follows:

For the purposes of this chapter, expenditures for the following foster care, adoption support and related services, and child protective services must be forecasted and budgeted as maintenance level costs:

(1) Behavioral rehabilitation services placements;

(2) Social worker and related staff to receive, refer, and respond to screened-in reports of child abuse or neglect;

(3) Court-ordered parent-child and sibling visitations delivered by contractors; and

(4) Those activities currently being treated as maintenance level costs for budgeting or forecasting purposes on the effective date of this section including, but not limited to: (a) Adoption support and other adoption-related expenses; (b) foster care maintenance payments; (c) child-placing agency management fees; (d) support goods such as clothing vouchers; (e) child aides; and (f) child care for children in foster or relative placements when the caregiver is at work or in school.

NEW SECTION. Sec. 6. (1) No later than December 1, 2020, the department of children, youth, and families shall report to the appropriate committees of the legislature on the actual and projected funding levels in fiscal years 2019 through 2021 for section 5 (1) through (3) of this act and compare them to expenditures prior to inclusion in the maintenance level forecasting and budgeting process.

(2) This section expires January 1, 2021.

NEW SECTION. Sec. 7. (1) The department of children, youth, and families shall, as part of its budget request submittal for the 2019-2021 biennial operating budget, conduct of a review of the most recent caseload forecast of children in foster care and the availability and capacity of licensed foster homes. The review shall include:

(a) An analysis of the need for licensed foster homes;

(b) A listing of support resources available for parents in licensed foster homes; and

(c) A review of department policies that affect the recruitment and retention of licensed foster homes.

A report containing the results of the review shall be submitted to the office of financial management and the appropriate policy and appropriation committees of the legislature no later than October 1, 2018.

(2) This section expires October 1, 2018.

Passed by the House March 8, 2018.

Passed by the Senate March 7, 2018.

Approved by the Governor March 22, 2018, with the exception of certain items that were vetoed.

Filed in Office of Secretary of State March 26, 2018.

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

"I am returning herewith, without my approval as to Section 1, Engrossed House Bill No. 2008 entitled:

"AN ACT Relating to the budgeting process for core state services for children."

Section 1 is a legislative intent section that also makes certain findings. Statements in this section assume that this bill can ensure predictable future funding levels for several child welfare programs and services. As much as I might want that to be true, no bill can guarantee that adequate funding will always be available for a specific purpose or can prevent a future Legislature from changing policies by amending statutes.

For these reasons I have vetoed Section 1 of Engrossed House Bill No. 2008.

With the exception of Section 1, Engrossed House Bill No. 2008 is approved."

CHAPTER 209

[Engrossed Second Substitute House Bill 2143]

HEALTH PROFESSIONS--MEDICAL STUDENT LOAN PROGRAM AND OPPORTUNITY SCHOLARSHIP

AN ACT Relating to expanding opportunities for higher education students; amending RCW 28B.145.005, 28B.145.010, 28B.145.020, 28B.145.030, 28B.145.040, and 28B.145.090; and adding a new chapter to Title 28B 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) "Eligible student" means a resident student who is enrolled in an accredited doctor of medicine or doctor of osteopathic medicine program in the state, is making satisfactory progress, and has declared an intention to work as a physician in a rural underserved area in Washington following residency.

(2) "Medical student loan" means a loan that is approved by the office and awarded to a participant under the program.

(3) "Office" means the office of student financial assistance.

(4) "Participant" means an eligible student who has received a medical student loan under the program.

(5) "Program" means the medical student loan program.

(6) "Rural underserved area" means a rural county as defined in RCW 82.14.370 that is also designated by the health resources and services administration as a medically underserved area or having a medically underserved population.

NEW SECTION. Sec. 2. The medical student loan program is established to increase the physician workforce in rural underserved areas in Washington state. The program must be funded exclusively with private funding for the purpose of providing medical student loans. State funding may be used for the administration of the program. The office shall administer the program and has the following powers and duties:

(1) To design and implement a low interest medical student loan program with the following elements:

(a) A low interest rate, comparable to or more favorable than the federal direct loan program, with interest charges that begin to accrue once the participant finishes his or her medical residency program;

(b) An annual loan limit not to exceed forty thousand dollars and no more than the participant's estimated cost of attendance as determined by his or her medical program;

(c) Loan repayments that do not commence until:

(i) Six months after the participant completes his or her medical residency program; or

(ii) Six months after a participant leaves his or her doctor of medicine program, doctor of osteopathic medicine program, or medical residency program before completing; and

(d) An interest rate of at least twelve percent plus capitalized interest that was deferred during the participant's doctor of medicine or doctor of osteopathic medicine program, and residency program, if the participant does not work as a

physician in a rural underserved area in Washington for three years following completion of his or her medical residency program;

(2) To establish an application, selection, and notification process for awarding medical student loans to eligible students;

(3) To define the terms of repayment, including applicable interest rates, fees, and deferments;

(4) To collect and manage repayments on the medical student loans;

(5) To solicit and accept grants and donations from nonstate public and private sources for the program;

(6) To exercise discretion to revise repayment obligations in certain cases, such as economic hardship or disability;

(7) To publicize the program; and

(8) To adopt necessary rules.

NEW SECTION. Sec. 3. (1) The medical student loan account is created in the custody of the state treasurer. Only the executive director of the office or the executive director's designee may authorize expenditures from the account. No appropriation is required for expenditures from the account for medical student loans. An appropriation is required for expenditures from the account for costs associated with program administration by the office.

(2) The office shall deposit into the account all moneys received for the program. Revenues to the account consist of moneys received for the program by the office, including grants and donations, and receipts from participant repayments, including principal and interest.

(3) Expenditures from the account may be used solely for medical student loans to participants in the program established by this chapter and costs associated with program administration by the office.

NEW SECTION. Sec. 4. (1) The office shall submit an annual report regarding the program to the governor and the appropriate committees of the legislature in accordance with the reporting requirements in RCW 43.01.036.

(2) The annual report shall describe the design and implementation of the program, and must include the following:

(a) The number of applicants for medical student loans;

(b) The number of participants in the program;

(c) The number of participants in the program who complete their medical program;

(d) The number of participants in the program who are placed in employment;

(e) The nature of that employment, including the type of job; whether the job is full-time, part-time, or temporary; and the income range;

(f) Whether the participant is working in a rural underserved area, and what percent of the participant's patients are served by medicaid, the children's health insurance program, apple health, or other programs with similar eligibility requirements;

(g) Demographic profiles of both applicants and participants;

(h) The amount of the private funding collected for the program; and

(i) An estimate of when the program will be self-sustaining.

(3) The annual report must be submitted by December 1st of each year after July 1, 2020.

Sec. 5. RCW 28B.145.005 and 2011 1st sp.s. c 13 s 1 are each amended to read as follows:

The legislature finds that, despite increases in degree production, there remain acute shortages in high employer demand programs of study, particularly in the science, technology, engineering, and mathematics (STEM) and health care fields of study. According to the workforce training and education coordinating board, seventeen percent of Washington businesses had difficulty finding job applicants in 2010. Eleven thousand employers did not fill a vacancy because they lacked qualified job applicants. Fifty-nine percent of projected job openings in Washington state from now until 2017 will require some form of postsecondary education and training.

It is the intent of the legislature to provide jobs and opportunity by making Washington the place where the world's most productive companies find the world's most talented people. The legislature intends to accomplish this through the creation of the opportunity scholarship and the opportunity expansion programs to help mitigate the impact of tuition increases, increase the number of baccalaureate degrees in high employer demand and other programs and advanced degrees in health professions needed in service obligation areas, and invest in programs and students to meet market demands for a knowledge-based economy while filling middle-income jobs with a sufficient supply of skilled workers.

Sec. 6. RCW 28B.145.010 and 2014 c 208 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) "Board" means the opportunity scholarship board.

(2) "Council" means the student achievement council.

(3) "Eligible advanced degree program" means a health professional degree program beyond the baccalaureate level and includes graduate and professional degree programs.

(4) "Eligible education programs" means high employer demand and other programs of study as determined by the board.

~~((4))~~ (5) "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 council and the state board for community and technical colleges.

~~((5))~~ (6) "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; or

(iii) Has been accepted at an institution of higher education into an eligible advanced degree program and has agreed to the service obligation established by the board;

(b) Declares an intention to obtain a baccalaureate degree or an advanced 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.

~~((6))~~ (7) "High employer demand program of study" has the same meaning as provided in RCW 28B.50.030.

~~((7))~~ (8) "Participant" means an eligible student who has received a scholarship under the opportunity scholarship program.

~~((8))~~ (9) "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))~~.

~~((9))~~ (10) "Resident student" has the same meaning as provided in RCW 28B.15.012.

(11) "Service obligation" means an obligation by the participant to be employed in a service obligation area in the state for a specific period to be established by the board.

(12) "Service obligation area" means a location that meets one of the following conditions:

(a) Has been designated by the council as an eligible site under the health professional conditional scholarship program established under chapter 28B.115 RCW;

(b) Serves at least forty percent uninsured or medicaid enrolled patients;

(c) Is located in a rural county as defined in RCW 82.14.370 and serves a combination of uninsured, medicaid enrolled patients, and medicare enrolled patients, equal to at least forty percent of the practice location's total patients; or

(d) Serves a public agency, nonprofit organization, or local health jurisdiction as defined in RCW 43.70.575 by providing public health services necessary to preserve, protect, and promote the health of the state's population, as determined by the board after consultation with the department of health.

Sec. 7. RCW 28B.145.020 and 2014 c 208 s 2 are each amended to read as follows:

(1) The opportunity scholarship board is created. The board consists of eleven members:

(a) Six members appointed by the governor. For three of the 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) Five foundation or business and industry representatives appointed by the governor from among the state's most productive industries such as aerospace, manufacturing, health 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 board shall elect one of the business and industry representatives to serve as chair.

(4) 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 board shall be staffed by the program administrator.

(6) The purpose of the 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 and eligible advanced degree programs for purposes of the opportunity scholarship program. In determining eligible advanced degree programs, the board shall consider advanced degree programs that lead to credentials in health professions that include, but are not limited to, primary care, dental care, behavioral health, and public health. Duties, exercised jointly with the program administrator, include soliciting funds and setting annual fund-raising goals.

(7) The 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; and

(c) Whether the program should include a loan repayment or low-interest or no-interest loan component for the advanced degree portion of the program.

(8) The board shall report to the governor and the appropriate committees of the legislature by December 1st of each biennium, beginning December 1, 2019, on the following:

(a) A list of the eligible advanced degree programs and service obligation areas;

(b) The number of participants in eligible advanced degree programs, the number of participants completing their service obligations in a service obligation area, and the number of participants who have completed their service obligation; and

(c) The number of participants who did not complete their service obligation who now owe a repayment obligation and the reasons why the participants did not complete their service obligations.

Sec. 8. RCW 28B.145.030 and 2014 c 208 s 3 are each amended to read as follows:

(1) The program administrator ~~((, under contract with the council, shall staff the board and))~~ shall ((have)) provide administrative support to execute 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 board, include soliciting funds and setting annual fund-raising goals. The program administrator shall be paid an administrative fee as determined by the 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~~) any of the specified accounts created in this subsection (2)(b) upon the direction of the donor and in accordance with this subsection (2)(b):

(i) The "scholarship account," whose principal may be invaded, and from which scholarships must be disbursed for baccalaureate programs 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 October 1st thereafter;

(ii) The "advanced degrees pathways account," whose principal may be invaded, and from which scholarships may be disbursed for eligible advanced degree programs in the fiscal year following appropriations of state matching funds. Thereafter, scholarships shall be disbursed on an annual basis;

(iii) The "endowment account," from which scholarship moneys may be disbursed for baccalaureate programs from earnings only in years when:

(A) The state match has been made into both the scholarship and the endowment account; and

(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;

~~(iii))~~ (iv) 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, the advanced degrees pathways, or the endowment accounts. The board and the program administrator must work to maximize private sector contributions to ~~((both))~~ the scholarship account, the advanced degrees pathways account, and the endowment account, to maintain a robust scholarship program while simultaneously building the endowment, and to determine the division between the ~~((two))~~ scholarship, the advanced degrees pathways, and the endowment 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, except that no more than one million dollars in state match shall be deposited into the advanced degrees pathways account in a single fiscal biennium; and

~~((iv))~~ (v) 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, advanced degrees pathways 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, advanced degrees pathways 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 council, identifying the amounts received by name of private source and date, and whether the amounts received were deposited into the scholarship, the advanced degrees pathways, or the endowment accounts;

(d) In consultation with the council and the state board for community and technical colleges, make an assessment of the reasonable annual eligible expenses associated with eligible education programs and eligible advanced degree programs identified by the 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 or eligible advanced degree programs identified by the 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 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, or if ineligible to apply for federal student aid, the participant annually submits documentation of filing a state financial aid application as approved by the office of student financial assistance; and 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;

(j) Establish a required service obligation for participants enrolled in an eligible advanced degree program, and establish a process for verifying a participant's employment in a service obligation area; and

(k) Establish a repayment obligation and appeals process for participants who serve less than the required service obligation, unless the program administrator determines the circumstances are beyond the participant's control. If the participant is unable to pay the repayment obligation in full, the participant may enter into payment arrangements with the program administrator. The program administrator is responsible for the collection of repayment obligations on behalf of participants who fail to complete their service obligation.

(3) With respect to the opportunity expansion program, the program administrator shall:

(a) Assist the 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.

Sec. 9. RCW 28B.145.040 and 2011 1st sp.s. c 13 s 5 are each amended to read as follows:

(1) The opportunity scholarship program is established.

(2) The purpose of this scholarship program is to provide scholarships that will help low and middle-income Washington residents earn baccalaureate degrees in high employer demand and other programs of study and advanced degrees in health professions needed in service obligation areas, and encourage them to remain in the state to work. The program must be designed for ~~((both))~~ students starting at two-year institutions of higher education and intending to transfer to four-year institutions of higher education ~~((and))~~, students starting at four-year institutions of higher education, and students enrolled in an eligible advanced degree program.

(3) The opportunity scholarship board shall determine which programs of study, including but not limited to high employer demand programs, are eligible for purposes of the opportunity scholarship. For eligible advanced degree programs, the board shall limit scholarships to eligible students enrolling in programs that lead to credentials in health professions needed in service obligation areas.

(4) The source of funds for the program shall be a combination of private grants and contributions and state matching funds. A state match may be earned under this section for private contributions made on or after June 6, 2011. A state match, up to a maximum of fifty million dollars annually, shall be provided beginning the later of January 1, 2014, or January 1st next following the end of the fiscal year in which collections of state retail sales and use tax, state business and occupation tax, and state public utility tax exceed, by ten percent the amounts collected from these tax resources in the fiscal year that ended June 30, 2008, as determined by the department of revenue.

Sec. 10. RCW 28B.145.090 and 2014 c 208 s 4 are each amended to read as follows:

(1) The board may elect to have the state investment board invest the funds in the scholarship account, the advanced degrees pathways account, and the 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, advanced degrees pathways, 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, the advanced degrees pathways 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, the advanced degrees pathways account, and the 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.

NEW SECTION. Sec. 11. Sections 1 through 4 of this act constitute a new chapter in Title 28B RCW.

Passed by the House March 5, 2018.

Passed by the Senate March 2, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 210

[Substitute House Bill 2229]

DENTAL PRACTICE--INTEGRATED CARE DELIVERY SYSTEMS

AN ACT Relating to the applicability of dental practice laws to integrated care delivery systems; and amending RCW 18.32.675.

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

Sec. 1. RCW 18.32.675 and 2017 c 320 s 2 are each amended to read as follows:

(1) No corporation shall practice dentistry or shall solicit through itself, or its agent, officers, employees, directors or trustees, dental patronage for any dentists or dental surgeon employed by any corporation: PROVIDED, That nothing contained in this chapter shall prohibit a corporation from employing a dentist or dentists to render dental services to its employees: PROVIDED, FURTHER, That such dental services shall be rendered at no cost or charge to the employees; nor shall it apply to corporations or associations in which the dental services were originated and are being conducted upon a purely charitable basis for the worthy poor.

(2) Nothing in this chapter precludes a person or entity not licensed by the commission from:

(a) Ownership or leasehold of any assets used by a dental practice, including real property, furnishings, equipment, instruments, materials, supplies, and inventory, excluding dental records of patients;

(b)(i) Employing or contracting for the services of personnel other than licensed dentists, licensed dental hygienists, licensed expanded function dental auxiliaries, certified dental anesthesia assistants, and registered dental assistants;

(ii) Contracting for the services of a licensed dentist or employing or contracting for the services of licensed dental hygienists, licensed expanded function dental auxiliaries, certified dental anesthesia assistants, and registered dental assistants if the entity is a health service contractor that is licensed under chapter 48.44 RCW and is organized as a nonprofit integrated care delivery system, if all of the following conditions are met:

(A) The arrangement between the parties meets the personal services and management contracts safe harbor requirements as provided by 42 C.F.R. Sec. 1001.952(d); and

(B) The arrangement between the parties meets either of the following safe harbors:

(I) The managed care organization safe harbor requirements as provided by 42 C.F.R. Sec. 1001.952(t); or

(II) The space rental safe harbor requirements as provided by 42 C.F.R. Sec. 1001.952(b) and the equipment rental safe harbor requirements as provided by 42 C.F.R. Sec. 1001.952(c);

(c) Providing business support and management services to a dental practice, including as a sole provider of such services; and

(d) Receiving fees for the services in (a) through (c) of this subsection provided to a dental practice calculated as agreed to by the dental practice owner or owners.

(3) Nothing in this chapter shall prohibit a health carrier as defined in RCW 48.43.005, while acting in its capacity as a health carrier and in no other capacity, from entering into provider contracts or provider compensation agreements, as defined in RCW 48.43.730, with a dentist or dental practice.

(4) Any corporation violating this section is guilty of a gross misdemeanor, and each day that this chapter is violated shall be considered a separate offense.

Passed by the House March 3, 2018.

Passed by the Senate February 27, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 211

[House Bill 2257]

PHYSICIANS--MAINTENANCE OF CERTIFICATION

AN ACT Relating to prohibiting maintenance of certification from being required for certain health professions; amending RCW 18.71.010 and 18.57.001; adding a new section to chapter 18.71 RCW; and adding a new section to chapter 18.57 RCW.

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

Sec. 1. RCW 18.71.010 and 1994 sp.s. c 9 s 302 are each amended to read as follows:

The following terms used in this chapter shall have the meanings set forth in this section unless the context clearly indicates otherwise:

(1) "Commission" means the Washington state medical quality assurance commission.

(2) ~~("Secretary" means the secretary of health.~~

~~(3))~~ "Emergency medical care" or "emergency medical service" has the same meaning as in chapter 18.73 RCW.

(3) "Maintenance of certification" means the satisfactory participation in a formal recertification program to maintain board certification after initial certification from the American board of medical specialties or other accrediting organization recognized by the commission.

(4) "Resident physician" means an individual who has graduated from a school of medicine which meets the requirements set forth in RCW 18.71.055 and is serving a period of postgraduate clinical medical training sponsored by a college or university in this state or by a hospital accredited by this state. For

purposes of this chapter, the term shall include individuals designated as intern or medical fellow.

~~((4) "Emergency medical care" or "emergency medical service" has the same meaning as in chapter 18.73 RCW.))~~

(5) "Secretary" means the secretary of health.

NEW SECTION. Sec. 2. A new section is added to chapter 18.71 RCW to read as follows:

(1) Except as provided in subsection (2) of this section, the commission may not require a physician to participate in a maintenance of certification requirement as a condition of licensure or license renewal. The commission may allow a physician to fulfill license renewal requirements through satisfactory participation in a recognized maintenance of certification program.

(2) This section does not apply to board certification requirements or maintenance of certification requirements included in any of the following:

- (a) A stipulation to informal disposition under RCW 18.130.172;
- (b) An order issued to resolve a statement of charges under RCW 18.130.090;
- (c) An order issued under RCW 18.130.160; or
- (d) A reinstatement order issued under RCW 18.130.150.

Sec. 3. RCW 18.57.001 and 1996 c 178 s 2 are each amended to read as follows:

As used in this chapter:

(1) "Board" means the Washington state board of osteopathic medicine and surgery;

(2) "Department" means the department of health;

(3) ~~("Secretary" means the secretary of health; and)~~ "Maintenance of certification" means the satisfactory participation in a formal recertification program to maintain board certification after initial certification from the American osteopathic association bureau of osteopathic specialists, the American board of medical specialties, or other accrediting organization recognized by the board;

(4) "Osteopathic medicine and surgery" means the use of any and all methods in the treatment of disease, injuries, deformities, and all other physical and mental conditions in and of human beings, including the use of osteopathic manipulative therapy; and

(5) "Secretary" means the secretary of health.

NEW SECTION. Sec. 4. A new section is added to chapter 18.57 RCW to read as follows:

(1) Except as provided in subsection (2) of this section, the board may not require an osteopathic physician and surgeon to participate in a maintenance of certification requirement as a condition of licensure or license renewal. The board may allow a physician to fulfill license renewal requirements through satisfactory participation in a recognized maintenance of certification program.

(2) This section does not apply to board certification requirements or maintenance of certification requirements included in any of the following:

- (a) A stipulation to informal disposition under RCW 18.130.172;
- (b) An order issued to resolve a statement of charges under RCW 18.130.090;

- (c) An order issued under RCW 18.130.160; or
- (d) A reinstatement order issued under RCW 18.130.150.

Passed by the House January 29, 2018.

Passed by the Senate March 2, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 212

[Substitute House Bill 2276]

WILDLIFE TRANSFER, RELOCATION, AND INTRODUCTION--NOTIFICATION

AN ACT Relating to notification of wildlife transfer, relocation, or introduction into a new location; and adding a new section to chapter 77.12 RCW.

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

NEW SECTION. **Sec. 1.** A new section is added to chapter 77.12 RCW to read as follows:

(1) The department must provide notice and hold a public hearing prior to department personnel relocating or introducing any wolves, coyotes, lynx, bobcats, and animals defined as big game in RCW 77.08.030, where the action is intended for population enhancement.

(2)(a) The notice of the public hearing must be made at least thirty days prior to the date of the hearing. The notice must state the public hearing date, time, and location, and provide a brief explanation of the department's proposed action. The brief explanation must include the species of wildlife, the estimated number of animals, the general location where the wildlife will be released, and the potential range the wildlife is likely to roam.

(b) A press release of the notice of the public hearing must be sent to media outlets providing news services to the communities that are likely to be impacted by the wildlife's presence. The notice of the public hearing must be posted on the department's web site, and if possible, posted on a local government or community web site near where the wildlife will be relocated or introduced; and be provided in writing to the town, city, or county legislative members and the mayor or county executive of any location that is likely to be impacted by the presence of the wildlife.

(3) The public hearing must be open to the public and held within the community most likely to be impacted by the presence of the relocated or introduced wildlife. The presiding official or department personnel must present information explaining the department's proposed actions and related management of the wildlife in sufficient detail to provide an understanding of the reasons for the proposed movement and potential impacts of the action in or near the community. The hearing must be conducted by the presiding official to afford interested persons the opportunity to present comments. Written or electronic submissions will also be accepted and included in the department's hearing record.

Passed by the House March 5, 2018.

Passed by the Senate March 2, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 213

[Substitute House Bill 2298]

WASTEWATER OPERATOR CERTIFICATION--FEES

AN ACT Relating to wastewater operator certifications; and amending RCW 70.95B.090 and 70.95B.095.

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

Sec. 1. RCW 70.95B.090 and 1987 c 357 s 6 are each amended to read as follows:

The issuance and renewal of a certificate shall be subject to the following conditions:

(1) A certificate shall be issued if the operator has satisfactorily passed a written examination, or has met the requirements of RCW 70.95B.080, and has met the requirements specified in the rules and regulations as authorized by this chapter, and has paid the department an application fee as established by the department under RCW 70.95B.095. ~~((Such application fee shall not exceed fifty dollars.))~~

(2) The term for all certificates shall be from the first of January of the year of issuance until the thirty-first of December of the renewal year. The renewal period, not to exceed three years, shall be set by agency rule. Every certificate shall be renewed upon the payment of a renewal fee as established by the department under RCW 70.95B.095 and satisfactory evidence presented to the director that the operator demonstrates continued professional growth in the field. ~~((Such renewal fee shall not exceed thirty dollars.))~~

(3) Individuals who fail to renew their certificates before December 31 of the renewal year, upon notice by the director shall have their certificates suspended for sixty days. If, during the suspension period, the renewal is not completed, the director shall give notice of revocation to the employer and to the operator and the certificate will be revoked ten days after such notice is given. An operator whose certificate has been revoked must reapply for certification and will be requested to meet the requirements of a new applicant.

Sec. 2. RCW 70.95B.095 and 1987 c 357 s 9 are each amended to read as follows:

~~((Effective January 1, 1988,))~~ (1) ~~The department shall establish ((rules for the collection of)) and collect fees for the issuance and renewal of wastewater treatment plant operator certificates as provided for in RCW 70.95B.090. ((Beginning January 1, 1992, these fees shall be sufficient to recover the costs of the))~~ The department, with the advice of an advisory committee, shall establish an initial fee schedule by rule. Fees shall be established in amounts to fully recover and not to exceed expenses incurred by the department to administer the wastewater operator certification program, to include evaluating applications necessary to verify compliance with certification requirements, maintaining and administering credible examinations, ensuring operators receive necessary training, outreach, and technical assistance, enforcing certification program requirements, providing necessary education and training to program staff, and supporting the overhead expenses related to administering the wastewater operator certification program.

(2) Once the initial fee schedule is adopted by rule, the department shall conduct a workload analysis and prepare a biennial budget estimate for the

wastewater treatment plant operator certification program. Thereafter, the department shall assess and collect fees from all wastewater treatment plant operators at a level that fully recovers the costs identified in its biennial operating budget.

(3) If fee increases above the state's fiscal growth factor are proposed, due to an expansion of the wastewater operator certification program, the department must submit a report to the legislature describing the need for the increase.

Passed by the House February 1, 2018.

Passed by the Senate February 27, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 214

[House Bill 2307]

SENSITIVE FISH AND WILDLIFE DATA--CONFIDENTIALITY

AN ACT Relating to requiring confidentiality in the release of sensitive fish and wildlife data; amending RCW 42.56.430; reenacting and amending RCW 42.56.430; providing an effective date; and providing an expiration date.

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

Sec. 1. RCW 42.56.430 and 2017 c 246 s 1 and 2017 c 71 s 1 are each reenacted and amended to read as follows:

The following information relating to fish and wildlife is exempt from disclosure under this chapter:

(1) Commercial fishing catch data from logbooks required to be provided to the department of fish and wildlife under RCW 77.12.047, when the data identifies specific catch location, timing, or methodology and the release of which would result in unfair competitive disadvantage to the commercial fisher providing the catch data, however, this information may be released to government agencies concerned with the management of fish and wildlife resources;

(2) Sensitive fish and wildlife data. Sensitive fish and wildlife data may be released to the following entities and their agents for fish, wildlife, land management purposes, or scientific research needs: Government agencies, public utilities, and accredited colleges and universities. Sensitive fish and wildlife data may be released to tribal governments. Sensitive fish and wildlife data may also be released to the owner, lessee, or right-of-way or easement holder of the private land to which the data pertains. The release of sensitive fish and wildlife data ~~((may))~~ **must** be subject to a confidentiality agreement, except upon release of sensitive fish and wildlife data to the owner, lessee, or right-of-way or easement holder of private land who initially provided the data. Sensitive fish and wildlife data does not include data related to reports of predatory wildlife as specified in RCW 77.12.885. Sensitive fish and wildlife data must meet at least one of the following criteria of this subsection as applied by the department of fish and wildlife:

(a) The nesting sites or specific locations of endangered species designated under RCW 77.12.020, or threatened or sensitive species classified by rule of the department of fish and wildlife;

(b) Radio frequencies used in, or locational data generated by, telemetry studies; or

(c) Other location data that could compromise the viability of a specific fish or wildlife population, and where at least one of the following criteria are met:

(i) The species has a known commercial or black market value;

(ii) There is a history of malicious take of that species and the species behavior or ecology renders it especially vulnerable;

(iii) There is a known demand to visit, take, or disturb the species; or

(iv) The species has an extremely limited distribution and concentration;

(3) The following information regarding any damage prevention cooperative agreement, or nonlethal preventative measures deployed to minimize wolf interactions with pets and livestock:

(a) The name, telephone number, residential address, and other personally identifying information of any person who has a current damage prevention cooperative agreement with the department, including a pet or livestock owner, and his or her employees or immediate family members, who agrees to deploy, or is responsible for the deployment of, nonlethal, preventative measures; and

(b) The legal description or name of any residential property, ranch, or farm, that is owned, leased, or used by any person included in (a) of this subsection;

(4) The following information regarding a reported depredation by wolves on pets or livestock:

(a) The name, telephone number, residential address, and other personally identifying information of:

(i) Any person who reported the depredation;

(ii) Any pet or livestock owner, and his or her employees or immediate family members, whose pet or livestock was the subject of a reported depredation; and

(iii) Any department of fish and wildlife employee, range rider contractor, or trapper contractor who directly:

(A) Responds to a depredation; or

(B) Assists in the lethal removal of a wolf; and

(b) The legal description, location coordinates, or name that identifies any residential property, or ranch or farm that contains a residence, that is owned, leased, or used by any person included in (a) of this subsection;

(5) The personally identifying information of persons who acquire recreational licenses under RCW 77.32.010 or commercial licenses under chapter 77.65 or 77.70 RCW, except name, address of contact used by the department, and type of license, endorsement, or tag; however, the department of fish and wildlife may disclose personally identifying information to:

(a) Government agencies concerned with the management of fish and wildlife resources;

(b) The department of social and health services, child support division, and to the department of licensing in order to implement RCW 77.32.014 and 46.20.291; and

(c) Law enforcement agencies for the purpose of firearm possession enforcement under RCW 9.41.040;

(6) Information that the department of fish and wildlife has received or accessed but may not disclose due to confidentiality requirements in the

Magnuson-Stevens fishery conservation and management reauthorization act of 2006 (16 U.S.C. Sec. 1861(h)(3) and (i), and Sec. 1881a(b));

(7) The following tribal fish and shellfish harvest information, shared with the department of fish and wildlife:

- (a) Fisher name;
- (b) Fisher signature;
- (c) Total harvest value per species;
- (d) Total harvest value;
- (e) Price per pound; and
- (f) Tribal tax information; and

(8) The following commercial shellfish harvest information, shared with the department of fish and wildlife:

- (a) Individual farmer name;
- (b) Individual farmer signature;
- (c) Total harvest value per species;
- (d) Total harvest value;
- (e) Price per pound; and
- (f) Tax information.

Sec. 2. RCW 42.56.430 and 2017 c 71 s 1 are each amended to read as follows:

The following information relating to fish and wildlife is exempt from disclosure under this chapter:

(1) Commercial fishing catch data from logbooks required to be provided to the department of fish and wildlife under RCW 77.12.047, when the data identifies specific catch location, timing, or methodology and the release of which would result in unfair competitive disadvantage to the commercial fisher providing the catch data, however, this information may be released to government agencies concerned with the management of fish and wildlife resources;

(2) Sensitive fish and wildlife data. Sensitive fish and wildlife data may be released to the following entities and their agents for fish, wildlife, land management purposes, or scientific research needs: Government agencies, public utilities, and accredited colleges and universities. Sensitive fish and wildlife data may be released to tribal governments. Sensitive fish and wildlife data may also be released to the owner, lessee, or right-of-way or easement holder of the private land to which the data pertains. The release of sensitive fish and wildlife data (~~may~~) must be subject to a confidentiality agreement, except upon release of sensitive fish and wildlife data to the owner, lessee, or right-of-way or easement holder of private land who initially provided the data. Sensitive fish and wildlife data does not include data related to reports of predatory wildlife as specified in RCW 77.12.885. Sensitive fish and wildlife data must meet at least one of the following criteria of this subsection as applied by the department of fish and wildlife:

(a) The nesting sites or specific locations of endangered species designated under RCW 77.12.020, or threatened or sensitive species classified by rule of the department of fish and wildlife;

(b) Radio frequencies used in, or locational data generated by, telemetry studies; or

(c) Other location data that could compromise the viability of a specific fish or wildlife population, and where at least one of the following criteria are met:

(i) The species has a known commercial or black market value;

(ii) There is a history of malicious take of that species and the species behavior or ecology renders it especially vulnerable;

(iii) There is a known demand to visit, take, or disturb the species; or

(iv) The species has an extremely limited distribution and concentration;

(3) The personally identifying information of persons who acquire recreational licenses under RCW 77.32.010 or commercial licenses under chapter 77.65 or 77.70 RCW, except name, address of contact used by the department, and type of license, endorsement, or tag; however, the department of fish and wildlife may disclose personally identifying information to:

(a) Government agencies concerned with the management of fish and wildlife resources;

(b) The department of social and health services, child support division, and to the department of licensing in order to implement RCW 77.32.014 and 46.20.291; and

(c) Law enforcement agencies for the purpose of firearm possession enforcement under RCW 9.41.040;

(4) Information that the department of fish and wildlife has received or accessed but may not disclose due to confidentiality requirements in the Magnuson-Stevens fishery conservation and management reauthorization act of 2006 (16 U.S.C. Sec. 1861(h)(3) and (i), and Sec. 1881a(b));

(5) The following tribal fish and shellfish harvest information, shared with the department of fish and wildlife:

(a) Fisher name;

(b) Fisher signature;

(c) Total harvest value per species;

(d) Total harvest value;

(e) Price per pound; and

(f) Tribal tax information; and

(6) The following commercial shellfish harvest information, shared with the department of fish and wildlife:

(a) Individual farmer name;

(b) Individual farmer signature;

(c) Total harvest value per species;

(d) Total harvest value;

(e) Price per pound; and

(f) Tax information.

NEW SECTION. Sec. 3. Section 1 of this act expires June 30, 2022.

NEW SECTION. Sec. 4. Section 2 of this act takes effect June 30, 2022.

Passed by the House February 14, 2018.

Passed by the Senate March 2, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 215

[House Bill 2313]

CHIROPRACTIC QUALITY ASSURANCE COMMISSION--AUTHORITY

AN ACT Relating to providing the chiropractic quality assurance commission with additional authority over budget development, spending, and staffing; and amending RCW 18.25.210.

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

Sec. 1. RCW 18.25.210 and 2013 c 81 s 1 are each amended to read as follows:

~~(1) The ((commission may conduct a pilot project to evaluate the effect of granting the commission additional authority over budget development, spending, and staffing. If the commission intends to conduct a pilot project, it must provide a notice in writing to the secretary by July 1, 2013. If the commission chooses to conduct a pilot project, the pilot project shall begin on July 1, 2013, and conclude on June 30, 2018.~~

~~(2) The pilot project shall include the following provisions:~~

~~(a) That the)) secretary shall employ an executive director that is:~~

~~((+)) (a) Hired by and serves at the pleasure of the commission;~~

~~((+)) (b) Exempt from the provisions of the civil service law, chapter 41.06 RCW and whose salary is established by the commission in accordance with RCW 43.03.028; and~~

~~((+)) (c) Responsible for performing all administrative duties of the commission, including preparing an annual budget, and any other duties as delegated to the executive director by the commission((;)).~~

~~((b)) (2) Consistent with the budgeting and accounting act((:~~

~~(i) With regard to budget for the remainder of the 2013-2015 biennium, the commission has authority to spend the remaining funds allocated with respect to chiropractors licensed under this chapter; and~~

~~(ii) Beginning with the 2015-2017 biennium)), the commission is responsible for proposing its own biennial budget which the secretary must submit to the office of financial management((;)).~~

~~((e) That,)) (3) Prior to adopting credentialing fees under RCW 43.70.250, the secretary shall collaborate with the commission to determine the appropriate fees necessary to support the activities of the commission((;)).~~

~~((d) That,)) (4) Prior to the secretary exercising the secretary's authority to adopt uniform rules and guidelines, or any other actions that might impact the licensing or disciplinary authority of the commission, the secretary shall first meet with the commission to determine how those rules or guidelines, or changes to rules or guidelines, might impact the commission's ability to effectively carry out its statutory duties. If the commission, in consultation with the secretary, determines that the proposed rules or guidelines, or changes to existing rules or guidelines, will negatively impact the commission's ability to effectively carry out its statutory duties, then the individual commission shall collaborate with the secretary to develop alternative solutions to mitigate the impacts. If an alternative solution cannot be reached, the parties may resolve the dispute through a mediator as set forth in ~~((f) of this)) subsection((;)) (6) of this section.~~~~

~~((e) That)) (5) The commission shall negotiate with the secretary to develop performance-based expectations, including identification of key~~

performance measures. The performance expectations should focus on consistent, timely regulation of health care professionals(, and)).

~~((f) That)) (6) In the event there is a disagreement between the commission and the secretary, that is unable to be resolved through negotiation, a representative of both parties shall agree on the designation of a third party to mediate the dispute.~~

~~((3) By December 15, 2017, the secretary and the commission shall report to the governor and the legislature on the results of the pilot project. The report shall:~~

~~(a) Compare the effectiveness of licensing and disciplinary activities of the commission during the pilot project with the licensing and disciplinary activities of the commission prior to the pilot project and the disciplinary activities of other disciplining authorities during the same time period as the pilot project;~~

~~(b) Compare the efficiency of the commission with respect to the timeliness and personnel resources during the pilot project to the efficiency of the commission prior to the pilot project and the efficiency of other disciplining authorities during the same period as the pilot project;~~

~~(c) Compare the budgetary activity of the commission during the pilot project to the budgetary activity of the commission prior to the pilot project and to the budgetary activity of other disciplining authorities during the same period as the pilot project;~~

~~(d) Evaluate the commission's regulatory activities, including timelines, consistency of decision making, and performance levels in comparison to other disciplining authorities; and~~

~~(e) Review summaries of national research and data regarding regulatory effectiveness and patient safety.~~

~~(4)) (7) The secretary shall employ staff that are hired and managed by the executive director provided that nothing contained in this section may be construed to alter any existing collective bargaining unit or the provisions of any existing collective bargaining agreement.~~

Passed by the House February 13, 2018.

Passed by the Senate March 2, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 216

[Engrossed Substitute House Bill 2356]

STEM CELL THERAPIES--INFORMED CONSENT

AN ACT Relating to stem cell therapies not approved by the United States food and drug administration; amending RCW 18.130.180; and adding a new section to chapter 18.130 RCW.

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

NEW SECTION, Sec. 1. A new section is added to chapter 18.130 RCW to read as follows:

(1) A license holder subject to this chapter who performs a stem cell therapy that is not approved by the United States food and drug administration, shall provide the patient with the following written notice prior to performing the therapy:

"THIS NOTICE MUST BE PROVIDED TO YOU UNDER WASHINGTON LAW. This health care practitioner performs one or more stem cell therapies that have not yet been approved by the United States food and drug administration. You are encouraged to consult with your primary care provider prior to undergoing a stem cell therapy."

(2) The written notice required by subsection (1) of this section must be at least eight and one-half inches by eleven inches and written in no less than forty point type. The license holder must also prominently display the written notice in the entrance and in an area visible to patients in the license holder's office.

(3) A license holder who is required to provide written notice under subsection (1) of this section must also obtain a signed consent form before performing the therapy. The consent form must be signed by the patient, or, if the patient is legally not competent, the patient's representative, and must state, in language the patient could reasonably be expected to understand:

(a) The nature and character of the proposed treatment, including the treatment's food and drug administration approval status;

(b) The anticipated results of the proposed treatment;

(c) The recognized possible alternative forms of treatment; and

(d) The recognized serious possible risks, complications, and anticipated benefits involved in the treatment and in the recognized possible alternative forms of treatment, including nontreatment.

(4) The license holder must include the notice set forth in subsection (1) of this section in any advertisements for the therapy. In print advertisements, the notice must be clearly legible, in a font size no smaller than the largest font size used in the advertisement. In all other forms of advertisements, the notice must be either clearly legible in a font size no smaller than the largest font size used in the advertisement or clearly spoken.

(5) This section does not apply to the following:

(a) A license holder who has obtained approval for an investigational new drug or device from the United States food and drug administration for the use of human cells, tissues, or cellular or tissue-based products.

(b) A license holder who performs a stem cell therapy pursuant to an employment or other contract to perform the therapy on behalf of or under the auspices of an institution certified by the foundation for the accreditation of cellular therapy, the national institutes of health blood and marrow transplant clinical trials network, or AABB.

(6) Violations of this section constitute unprofessional conduct under this chapter.

(7) For purposes of this section:

(a) "Human cells, tissues, or cellular or tissue-based products" has the same meaning as in 21 C.F.R. Sec. 1271.3 as it exists on the effective date of this section.

(b) "Stem cell therapy" means a therapy involving the use of human cells, tissues, or cellular or tissue-based products.

Sec. 2. RCW 18.130.180 and 2010 c 9 s 5 are each amended to read as follows:

The following conduct, acts, or conditions constitute unprofessional conduct for any license holder under the jurisdiction of this chapter:

(1) The commission of any act involving moral turpitude, dishonesty, or corruption relating to the practice of the person's profession, whether the act constitutes a crime or not. If the act constitutes a crime, conviction in a criminal proceeding is not a condition precedent to disciplinary action. Upon such a conviction, however, the judgment and sentence is conclusive evidence at the ensuing disciplinary hearing of the guilt of the license holder of the crime described in the indictment or information, and of the person's violation of the statute on which it is based. For the purposes of this section, conviction includes all instances in which a plea of guilty or nolo contendere is the basis for the conviction and all proceedings in which the sentence has been deferred or suspended. Nothing in this section abrogates rights guaranteed under chapter 9.96A RCW;

(2) Misrepresentation or concealment of a material fact in obtaining a license or in reinstatement thereof;

(3) All advertising which is false, fraudulent, or misleading;

(4) Incompetence, negligence, or malpractice which results in injury to a patient or which creates an unreasonable risk that a patient may be harmed. The use of a nontraditional treatment by itself shall not constitute unprofessional conduct, provided that it does not result in injury to a patient or create an unreasonable risk that a patient may be harmed;

(5) Suspension, revocation, or restriction of the individual's license to practice any health care profession by competent authority in any state, federal, or foreign jurisdiction, a certified copy of the order, stipulation, or agreement being conclusive evidence of the revocation, suspension, or restriction;

(6) Except when authorized by RCW 18.130.345, the possession, use, prescription for use, or distribution of controlled substances or legend drugs in any way other than for legitimate or therapeutic purposes, diversion of controlled substances or legend drugs, the violation of any drug law, or prescribing controlled substances for oneself;

(7) Violation of any state or federal statute or administrative rule regulating the profession in question, including any statute or rule defining or establishing standards of patient care or professional conduct or practice;

(8) Failure to cooperate with the disciplining authority by:

(a) Not furnishing any papers, documents, records, or other items;

(b) Not furnishing in writing a full and complete explanation covering the matter contained in the complaint filed with the disciplining authority;

(c) Not responding to subpoenas issued by the disciplining authority, whether or not the recipient of the subpoena is the accused in the proceeding; or

(d) Not providing reasonable and timely access for authorized representatives of the disciplining authority seeking to perform practice reviews at facilities utilized by the license holder;

(9) Failure to comply with an order issued by the disciplining authority or a stipulation for informal disposition entered into with the disciplining authority;

(10) Aiding or abetting an unlicensed person to practice when a license is required;

(11) Violations of rules established by any health agency;

(12) Practice beyond the scope of practice as defined by law or rule;

(13) Misrepresentation or fraud in any aspect of the conduct of the business or profession;

(14) Failure to adequately supervise auxiliary staff to the extent that the consumer's health or safety is at risk;

(15) Engaging in a profession involving contact with the public while suffering from a contagious or infectious disease involving serious risk to public health;

(16) Promotion for personal gain of any unnecessary or inefficacious drug, device, treatment, procedure, or service;

(17) Conviction of any gross misdemeanor or felony relating to the practice of the person's profession. For the purposes of this subsection, conviction includes all instances in which a plea of guilty or nolo contendere is the basis for conviction and all proceedings in which the sentence has been deferred or suspended. Nothing in this section abrogates rights guaranteed under chapter 9.96A RCW;

(18) The procuring, or aiding or abetting in procuring, a criminal abortion;

(19) The offering, undertaking, or agreeing to cure or treat disease by a secret method, procedure, treatment, or medicine, or the treating, operating, or prescribing for any health condition by a method, means, or procedure which the licensee refuses to divulge upon demand of the disciplining authority;

(20) The willful betrayal of a practitioner-patient privilege as recognized by law;

(21) Violation of chapter 19.68 RCW;

(22) Interference with an investigation or disciplinary proceeding by willful misrepresentation of facts before the disciplining authority or its authorized representative, or by the use of threats or harassment against any patient or witness to prevent them from providing evidence in a disciplinary proceeding or any other legal action, or by the use of financial inducements to any patient or witness to prevent or attempt to prevent him or her from providing evidence in a disciplinary proceeding;

(23) Current misuse of:

(a) Alcohol;

(b) Controlled substances; or

(c) Legend drugs;

(24) Abuse of a client or patient or sexual contact with a client or patient;

(25) Acceptance of more than a nominal gratuity, hospitality, or subsidy offered by a representative or vendor of medical or health-related products or services intended for patients, in contemplation of a sale or for use in research publishable in professional journals, where a conflict of interest is presented, as defined by rules of the disciplining authority, in consultation with the department, based on recognized professional ethical standards;

(26) Violation of section 1 of this act.

Passed by the House February 12, 2018.

Passed by the Senate March 2, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 217

[Third Substitute House Bill 2382]
SURPLUS STATE LANDS--DISPOSAL

AN ACT Relating to promoting the use of surplus public property for public benefit; amending RCW 43.63A.510, 43.17.400, 35.94.040, 43.09.210, 43.43.115, and 43.82.010; and adding a new section to chapter 39.33 RCW.

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

PART 1 - INVENTORY OF STATE PROPERTY

Sec. 1. RCW 43.63A.510 and 1993 c 461 s 2 are each amended to read as follows:

(1) The department ~~((shall))~~ must work with the ~~((departments of natural resources, transportation, social and health services, corrections, and general administration))~~ designated agencies to identify ~~((and)),~~ catalog, and recommend best use of under-utilized, state-owned land and property suitable for the development of affordable housing for very low-income, low-income or moderate-income households. The ~~((departments of natural resources, transportation, social and health services, corrections, and general administration shall))~~ designated agencies must provide an inventory of real property that is owned or administered by each agency and is vacant or available for lease or sale. The department must work with the designated agencies to include in the inventories a consolidated list of any property transactions executed by the agencies under the authority of section 3 of this act, including the property appraisal, the terms and conditions of sale, lease, or transfer, the value of the public benefit, and the impact of transaction to the agency. The inventories ~~((shall))~~ with revisions must be provided to the department by November 1 (~~(; 1993, with inventory revisions provided each November 1 thereafter))~~ st of each year.

(2) The department must consolidate inventories into two groups: Properties suitable for consideration in affordable housing development; and properties not suitable for consideration in affordable housing development. In making this determination, the department must use industry accepted standards such as: Location, approximate lot size, current land use designation, and current zoning classification of the property. The department shall provide a recommendation, based on this grouping, to the office of financial management and appropriate policy and fiscal committees of the legislature by December 1st of each year.

(3) Upon written request, the department shall provide a copy of the inventory of state-owned and publicly owned lands and buildings to parties interested in developing the sites for affordable housing.

~~((3))~~ (4) As used in this section:

(a) "Affordable housing" means residential housing that is rented or owned by a person who qualifies as a very low-income, low-income, or moderate-income household or who is from a special needs population, and whose monthly housing costs, including utilities other than telephone, do not exceed thirty percent of the household's monthly income.

(b) "Very low-income household" means a single person, family, or unrelated persons living together whose income is at or below fifty percent of the median income, adjusted for household size, for the county where the affordable housing is located.

(c) "Low-income household" means a single person, family, or unrelated persons living together whose income is more than fifty percent but is at or below eighty percent of the median income where the affordable housing is located.

(d) "Moderate-income household" means a single person, family, or unrelated persons living together whose income is more than eighty percent but is at or below one hundred fifteen percent of the median income where the affordable housing is located.

(e) "Affordable housing development" means state-owned real property appropriate for sale, transfer, or lease to an affordable housing developer capable of:

(i) Receiving the property within one hundred eighty days; and

(ii) Creating affordable housing units for occupancy within thirty-six months from the time of transfer.

(f) "Designated agencies" means the Washington state patrol, the state parks and recreation commission, and the departments of natural resources, social and health services, corrections, and enterprise services.

PART 2 - RIGHT OF FIRST REFUSAL FOR GOVERNMENT AGENCIES

Sec. 2. RCW 43.17.400 and 2015 c 225 s 64 are each amended to read as follows:

~~(1) ((The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.~~

~~(a) "Disposition" means sales, exchanges, or other actions resulting in a transfer of land ownership.~~

~~(b) "State agencies" includes:~~

~~(i) The department of natural resources established in chapter 43.30 RCW;~~

~~(ii) The department of fish and wildlife established in chapter 43.300 RCW;~~

~~(iii) The department of transportation established in chapter 47.01 RCW;~~

~~(iv) The parks and recreation commission established in chapter 79A.05 RCW; and~~

~~(v) The department of enterprise services established in this chapter.~~

~~(2) State agencies proposing disposition of state-owned land must provide written notice of the proposed disposition to the legislative authorities of the counties, cities, and towns in which the land is located at least sixty days before entering into the disposition agreement.)) Before any state agency may dispose of surplus state-owned real property to a private or any nongovernmental party, the agency must provide written notice to the following governmental entities at least sixty days before entering into any proposed disposition agreement:~~

~~(a) All other state agencies;~~

~~(b) Each federal agency operating within the state; and~~

~~(c) The governing authority of each county, city, town, special purpose district, and federally recognized Indian tribe in which the land is located.~~

(2) The state agency must dispose of the property, for continued public benefit as defined in section 3 of this act, to any governmental entity responding within the notification period, upon mutual agreement reached within a reasonable time period after the response is received. Priority must be given to state agencies. The disposition may be for any terms and conditions agreed upon

by the proper authorities of each party, in accordance with RCW 39.33.010, except where the disposition at fair market value is required by law.

(3) The requirements of this section are in addition and supplemental to other requirements of the laws of this state.

(4) For purposes of this section, "disposition" means the sale, exchange, or other action resulting in a transfer of ownership.

(5) The requirements of this section do not apply to the department of transportation.

PART 3 - DISPOSAL OF PUBLIC PROPERTY FOR PUBLIC BENEFIT

NEW SECTION. Sec. 3. A new section is added to chapter 39.33 RCW to read as follows:

(1) Any state agency, municipality, or political subdivision, with authority to dispose of surplus public property, may transfer, lease, or other disposal of such property for a public benefit purpose, consistent with and subject to this section. Any such transfer, lease, or other disposal may be made to a public, private, or nongovernmental body on any mutually agreeable terms and conditions, including a no cost transfer, subject to and consistent with this section. Consideration must include appraisal costs, debt service, all closing costs, and any other liabilities to the agency, municipality, or political subdivision. However, the property may not be so transferred, leased, or disposed of if such transfer, lease, or disposal would violate any bond covenant or encumber or impair any contract.

(2) A deed, lease, or other instrument transferring or conveying property pursuant to subsection (1) of this section must include:

(a) A covenant or other requirement that the property shall be used for the designated public benefit purpose; and

(b) Remedies that apply if the recipient of the property fails to use it for the designated public purpose or ceases to use it for such purpose.

(3) To implement the authority granted by this section, the governing body or legislative authority of a municipality or political subdivision must enact rules to regulate the disposition of property for public benefit purposes. Any transfer, lease, or other disposition of property authorized under this section must be consistent with existing locally adopted comprehensive plans as described in RCW 36.70A.070.

(4) This section is deemed to provide a discretionary alternative method for the doing of the things authorized herein, and shall not be construed as imposing any additional condition upon the exercise of any other powers vested in any state agency, municipality, or political subdivision.

(5) No transfer, lease, or other disposition of property for public benefit purposes made pursuant to any other provision of law prior to the effective date of this section may be construed to be invalid solely because the parties thereto did not comply with the procedures of this section.

(6) The transfer at no cost, lease, or other disposal of surplus real property for public benefit purposes is deemed a lawful purpose of any state agency, municipality, or political subdivision, for which accounts are kept on an enterprise fund or equivalent basis, regardless of the primary purpose or function of such agency.

(7) This section does not apply to the sale or transfer of any state forestlands, any state lands or property granted to the state by the federal

government for the purposes of common schools or education, or subject to a legal restriction that would be violated by compliance with this section.

(8) For purposes of this section:

(a) "Public benefit" means affordable housing for low-income and very low-income households as defined in RCW 43.63A.510, and related facilities that support the goals of affordable housing development in providing economic and social stability for low-income persons; and

(b) "Surplus public property" means excess real property that is not required for the needs of or the discharge of the responsibilities of the state agency, municipality, or political subdivision.

Sec. 4. RCW 35.94.040 and 1973 1st ex.s. c 95 s 1 are each amended to read as follows:

(1) Whenever a city shall determine, by resolution of its legislative authority, that any lands, property, or equipment originally acquired for public utility purposes is surplus to the city's needs and is not required for providing continued public utility service, then such legislative authority by resolution and after a public hearing may cause such lands, property, or equipment to be leased, sold, or conveyed. Such resolution shall state the fair market value or the rent or consideration to be paid and such other terms and conditions for such disposition as the legislative authority deems to be in the best public interest.

(2) The provisions of RCW 35.94.020 and 35.94.030 shall not apply to dispositions authorized by this section.

(3) This section does not apply to property transferred, leased, or otherwise disposed in accordance with section 3 of this act.

Sec. 5. RCW 43.09.210 and 2000 c 183 s 2 are each amended to read as follows:

(1) Separate accounts shall be kept for every appropriation or fund of a taxing or legislative body showing date and manner of each payment made therefrom, the name, address, and vocation of each person, organization, corporation, or association to whom paid, and for what purpose paid.

(2) Separate accounts shall be kept for each department, public improvement, undertaking, institution, and public service industry under the jurisdiction of every taxing body.

(3) All service rendered by, or property transferred from, one department, public improvement, undertaking, institution, or public service industry to another, shall be paid for at its true and full value by the department, public improvement, undertaking, institution, or public service industry receiving the same, and no department, public improvement, undertaking, institution, or public service industry shall benefit in any financial manner whatever by an appropriation or fund made for the support of another.

(4) All unexpended balances of appropriations shall be transferred to the fund from which appropriated, whenever the account with an appropriation is closed.

(5) This section does not apply to:

(a) Agency surplus personal property handled under RCW 43.19.1919(~~((5))~~) (1)(e); or

(b) The transfer, lease, or other disposal of surplus property for public benefit purposes, as provided under section 3 of this act.

Sec. 6. RCW 43.43.115 and 1993 c 438 s 1 are each amended to read as follows:

Whenever real property owned by the state of Washington and under the jurisdiction of the Washington state patrol is no longer required, it may be sold at fair market value, or otherwise disposed as permitted under section 3 of this act. Any such sale or disposal must be in accordance with RCW 43.17.400. All proceeds received from the sale of real property, less any real estate broker commissions up to four percent of the sale price, shall be deposited into the state patrol highway account: PROVIDED, That if accounts or funds other than the state patrol highway account have contributed to the purchase or improvement of the real property, the office of financial management shall determine the proportional equity of each account or fund in the property and improvements, and shall direct the proceeds to be deposited proportionally therein.

Sec. 7. RCW 43.82.010 and 2015 c 99 s 1 are each amended to read as follows:

(1) The director of enterprise services, on behalf of the agency involved and after consultation with the office of financial management, shall purchase, lease, lease purchase, rent, or otherwise acquire all real estate, improved or unimproved, as may be required by elected state officials, institutions, departments, commissions, boards, and other state agencies, or federal agencies where joint state and federal activities are undertaken and may grant easements and transfer, exchange, sell, lease, or sublease all or part of any surplus real estate for those state agencies which do not otherwise have the specific authority to dispose of real estate. Any such transfer, exchange, or sale must comply with RCW 43.17.400, and may be made in accordance with section 3 of this act. This section does not transfer financial liability for the acquired property to the department of enterprise services.

(2) Except for real estate occupied by federal agencies, the director shall determine the location, size, and design of any real estate or improvements thereon acquired or held pursuant to subsection (1) of this section. Facilities acquired or held pursuant to this chapter, and any improvements thereon, shall conform to standards adopted by the director and approved by the office of financial management governing facility efficiency unless a specific exemption from such standards is provided by the director of enterprise services. The director of enterprise services shall report to the office of financial management and the appropriate committees of the legislature annually on any exemptions granted pursuant to this subsection.

(3) Except for leases permitted under subsection (4) of this section, the director of enterprise services may fix the terms and conditions of each lease entered into under this chapter, except that no lease shall extend greater than twenty years in duration. The director of enterprise services may enter into a long-term lease greater than ten years in duration upon a determination by the director of the office of financial management that the long-term lease provides a more favorable rate than would otherwise be available, it appears to a substantial certainty that the facility is necessary for use by the state for the full length of the lease term, and the facility meets the standards adopted pursuant to subsection (2) of this section. The director of enterprise services may enter into a long-term lease greater than ten years in duration if an analysis shows that the life-cycle

cost of leasing the facility is less than the life-cycle cost of purchasing or constructing a facility in lieu of leasing the facility.

(4) The director of enterprise services may fix the terms of leases for property under the department of enterprise services' control at the former Northern State Hospital site for up to sixty years.

(5) Except as permitted under chapter 39.94 RCW, no lease for or on behalf of any state agency may be used or referred to as collateral or security for the payment of securities offered for sale through a public offering. Except as permitted under chapter 39.94 RCW, no lease for or on behalf of any state agency may be used or referred to as collateral or security for the payment of securities offered for sale through a private placement without the prior written approval of the state treasurer. However, this limitation shall not prevent a lessor from assigning or encumbering its interest in a lease as security for the repayment of a promissory note provided that the transaction would otherwise be an exempt transaction under RCW 21.20.320. The state treasurer shall adopt rules that establish the criteria under which any such approval may be granted. In establishing such criteria the state treasurer shall give primary consideration to the protection of the state's credit rating and the integrity of the state's debt management program. If it appears to the state treasurer that any lease has been used or referred to in violation of this subsection or rules adopted under this subsection, then he or she may recommend that the governor cause such lease to be terminated. The department of enterprise services shall promptly notify the state treasurer whenever it may appear to the department that any lease has been used or referred to in violation of this subsection or rules adopted under this subsection.

(6) It is the policy of the state to encourage the colocation and consolidation of state services into single or adjacent facilities, whenever appropriate, to improve public service delivery, minimize duplication of facilities, increase efficiency of operations, and promote sound growth management planning.

(7) The director of enterprise services shall provide coordinated long-range planning services to identify and evaluate opportunities for colocating and consolidating state facilities. Upon the renewal of any lease, the inception of a new lease, or the purchase of a facility, the director of enterprise services shall determine whether an opportunity exists for colocating the agency or agencies in a single facility with other agencies located in the same geographic area. If a colocation opportunity exists, the director of enterprise services shall consult with the affected state agencies and the office of financial management to evaluate the impact colocation would have on the cost and delivery of agency programs, including whether program delivery would be enhanced due to the centralization of services. The director of enterprise services, in consultation with the office of financial management, shall develop procedures for implementing colocation and consolidation of state facilities.

(8) The director of enterprise services is authorized to purchase, lease, rent, or otherwise acquire improved or unimproved real estate as owner or lessee and to lease or sublet all or a part of such real estate to state or federal agencies. The director of enterprise services shall charge each using agency its proportionate rental which shall include an amount sufficient to pay all costs, including, but not limited to, those for utilities, janitorial and accounting services, and sufficient to provide for contingencies; which shall not exceed five percent of the

average annual rental, to meet unforeseen expenses incident to management of the real estate.

(9) If the director of enterprise services determines that it is necessary or advisable to undertake any work, construction, alteration, repair, or improvement on any real estate acquired pursuant to subsection (1) or (8) of this section, the director shall cause plans and specifications thereof and an estimate of the cost of such work to be made and filed in his or her office and the state agency benefiting thereby is hereby authorized to pay for such work out of any available funds: PROVIDED, That the cost of executing such work shall not exceed the sum of twenty-five thousand dollars. Work, construction, alteration, repair, or improvement in excess of twenty-five thousand dollars, other than that done by the owner of the property if other than the state, shall be performed in accordance with the public works law of this state.

(10) In order to obtain maximum utilization of space, the director of enterprise services shall make space utilization studies, and shall establish standards for use of space by state agencies. Such studies shall include the identification of opportunities for colocation and consolidation of state agency office and support facilities.

(11) The director of enterprise services may construct new buildings on, or improve existing facilities, and furnish and equip, all real estate under his or her management. Prior to the construction of new buildings or major improvements to existing facilities or acquisition of facilities using a lease purchase contract, the director of enterprise services shall conduct an evaluation of the facility design and budget using life-cycle cost analysis, value-engineering, and other techniques to maximize the long-term effectiveness and efficiency of the facility or improvement.

(12) All conveyances and contracts to purchase, lease, rent, transfer, exchange, or sell real estate and to grant and accept easements shall be approved as to form by the attorney general, signed by the director of enterprise services or the director's designee, and recorded with the county auditor of the county in which the property is located.

(13) The director of enterprise services may delegate any or all of the functions specified in this section to any agency upon such terms and conditions as the director deems advisable. By January 1st of each year, beginning January 1, 2008, the department shall submit an annual report to the office of financial management and the appropriate committees of the legislature on all delegated leases.

(14) This section does not apply to the acquisition of real estate by:

(a) The state college and universities for research or experimental purposes;

(b) The state liquor (~~control~~) and cannabis board for liquor stores and warehouses;

(c) The department of natural resources, the department of fish and wildlife, the department of transportation, and the state parks and recreation commission for purposes other than the leasing of offices, warehouses, and real estate for similar purposes; and

(d) The department of commerce for community college health career training programs, offices for the department of commerce or other appropriate state agencies, and other nonprofit community uses, including community

meeting and training facilities, where the real estate is acquired during the 2013-2015 fiscal biennium.

(15) Notwithstanding any provision in this chapter to the contrary, the department of enterprise services may negotiate ground leases for public lands on which property is to be acquired under a financing contract pursuant to chapter 39.94 RCW under terms approved by the state finance committee.

(16) The department of enterprise services shall report annually to the office of financial management and the appropriate fiscal committees of the legislature on facility leases executed for all state agencies for the preceding year, lease terms, and annual lease costs. The report must include leases executed under RCW 43.82.045 and subsection (13) of this section.

Passed by the House March 5, 2018.

Passed by the Senate March 2, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 218

[Engrossed Substitute House Bill 2406]

ELECTIONS--AUDITING AND EQUIPMENT

AN ACT Relating to ensuring the integrity of elections through strengthening election security practices around auditing and equipment; amending RCW 29A.60.185, 29A.60.170, 29A.60.110, 29A.12.005, 29A.60.125, and 29A.60.235; adding new sections to chapter 29A.12 RCW; and creating a new section.

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

NEW SECTION. Sec. 1. It is the intent of the legislature to ensure our elections have the utmost confidence of the citizens of the state. In order to ensure the integrity of the elections in Washington, the legislature wants to maximize the security benefits of having locally run, decentralized counting systems in our state, based in thirty-nine different counties. The legislature wants to maximize this locally run benefit by adding options to the auditing process for local elections administrators. Multiple jurisdictions, with multiple options for ensuring election outcomes will increase the transparency, integrity, and trust of our elections process.

Sec. 2. RCW 29A.60.185 and 2005 c 242 s 5 are each amended to read as follows:

(1) Prior to certification of the election as required by RCW 29A.60.190, the county auditor shall conduct an audit of duplicated ballots in accordance with subsection (2) of this section, and an audit using at minimum one of the following methods:

(a) An audit of results of votes cast on the direct recording electronic voting devices, or other in-person ballot marking systems, used in the county if there are races or issues with more than ten votes cast on all direct recording electronic voting devices or other in-person ballot marking systems in the county. This audit must be conducted by randomly selecting by lot up to four percent of the direct recording electronic voting devices or other in-person ballot marking systems, or one direct recording electronic voting device or other in-person ballot marking system, whichever is greater, and, for each device or system,

comparing the results recorded electronically with the results recorded on paper. For purposes of this audit, the results recorded on paper must be tabulated as follows: On one-fourth of the devices or systems selected for audit, the paper records must be tabulated manually; on the remaining devices or systems, the paper records may be tabulated by a mechanical device determined by the secretary of state to be capable of accurately reading the votes cast and printed thereon and qualified for use in the state under applicable state and federal laws. Three races or issues, randomly selected by lot, must be audited on each device or system. This audit procedure must be subject to observation by political party representatives if representatives have been appointed and are present at the time of the audit. As used in this subsection, "in-person ballot marking system" or "system" means an in-person ballot marking system that retains or produces an electronic voting record of each vote cast using the system:

(b) A random check of the ballot counting equipment consistent with RCW 29A.60.170(3);

(c) A risk-limiting audit. A "risk-limiting audit" means an audit protocol that makes use of statistical principles and methods and is designed to limit the risk of certifying an incorrect election outcome. The secretary of state shall:

(i) Set the risk limit. A "risk limit" means the largest statistical probability that an incorrect reported tabulation outcome is not detected in a risk-limiting audit;

(ii) Randomly select for audit at least one statewide contest, and for each county at least one ballot contest other than the selected statewide contest. The county auditor shall randomly select a ballot contest for audit if in any particular election there is no statewide contest; and

(iii) Establish procedures for implementation of risk-limiting audits, including random selection of the audit sample, determination of audit size, and procedures for a comparison risk-limiting audit and ballot polling risk-limiting audit as defined in (c)(iii)(A) and (B) of this subsection.

(A) In a comparison risk-limiting audit, the county auditor compares the voter markings on randomly selected ballots to the ballot-level cast vote record produced by the ballot counting equipment.

(B) In a ballot polling risk-limiting audit, the county auditor of a county using ballot counting equipment that does not produce ballot-level cast vote records reports the voter markings on randomly selected ballots until the prespecified risk limit is met; or

(d) An independent electronic audit of the original ballot counting equipment used in the county. The county auditor may either conduct an audit of all ballots cast, or limit the audit to three precincts or six batches pursuant to procedures adopted under RCW 29A.60.170(3). This audit must be conducted using an independent electronic audit system that is, at minimum:

(i) Approved by the secretary of state;

(ii) Completely independent from all voting systems, including ballot counting equipment, that is used in the county;

(iii) Distributed or manufactured by a vendor different from the vendor that distributed or manufactured the original ballot counting equipment; and

(iv) Capable of demonstrating that it can verify and confirm the accuracy of the original ballot counting equipment's reported results.

(2) Prior to certification of the election, the county auditor must conduct an audit of ballots duplicated under RCW 29A.60.125. The audit of duplicated ballots must involve a comparison of the duplicated ballot to the original ballot. The county canvassing board must establish procedures for the auditing of duplicated ballots.

(3) For each audit method, the secretary of state must adopt procedures for expanding the audit to include additional ballots when an audit results in a discrepancy. The procedure must specify under what circumstances a discrepancy will lead to an audit of additional ballots, and the method to determine how many additional ballots will be selected. The secretary of state shall adopt procedures to investigate the cause of any discrepancy found during an audit.

(4) The secretary of state must establish rules by January 1, 2019, to implement and administer the auditing methods in this section, including facilitating public observation and reporting requirements.

Sec. 3. RCW 29A.60.170 and 2011 c 10 s 55 are each amended to read as follows:

(1) At least twenty-eight days prior to any special election, general election, or primary, the county auditor shall request from the chair of the county central committee of each major political party a list of individuals who are willing to serve as observers. The county auditor has discretion to also request observers from any campaign or organization. The county auditor may delete from the lists names of those persons who indicate to the county auditor that they cannot or do not wish to serve as observers, and names of those persons who, in the judgment of the county auditor, lack the ability to properly serve as observers after training has been made available to them by the auditor.

(2) The counting center is under the direction of the county auditor and must be open to observation by one representative from each major political party, if representatives have been appointed by the respective major political parties and these representatives are present while the counting center is operating. The proceedings must be open to the public, but no persons except those employed and authorized by the county auditor may touch any ballot or ballot container or operate a vote tallying system.

(3) A random check of the ballot counting equipment (~~(may)~~ must) be conducted upon mutual agreement of the political party observers or at the discretion of the county auditor. The random check procedures must be adopted by the county canvassing board, and consistent with rules adopted under RCW 29A.60.185(4), prior to the processing of ballots. The random check process shall involve a comparison of a manual count or electronic count if an audit under RCW 29A.60.185(1)(d) is conducted to the machine count from the original ballot counting equipment and may involve up to either three precincts or six batches depending on the ballot counting procedures in place in the county. The random check will be limited to one office or issue on the ballots in the precincts or batches that are selected for the check. The selection of the precincts or batches to be checked must be selected according to procedures established by the county canvassing board (~~and~~). The random check procedures must include a process, consistent with RCW 29A.60.185(3) and rules adopted under RCW 29A.60.185(4), for expanding the audit to include additional ballots when a random check conducted under this section results in a

discrepancy. The procedure must specify under what circumstances a discrepancy will lead to an audit of additional ballots and the method to determine how many additional ballots will be selected. Procedures adopted under RCW 29A.60.185 pertaining to investigations of any discrepancy found during an audit must be followed. The check must be completed no later than forty-eight hours after election day.

(4)(a) By November 1, 2018, the secretary of state shall:

(i) For each county, survey all random check procedures adopted by the county canvassing board under subsection (3) of this section; and

(ii) Evaluate the procedures to identify the best practices and any discrepancies.

(b) By December 15, 2018, the secretary of state shall submit a report, in compliance with RCW 43.01.036, to the appropriate committees of the legislature that provides recommendations, based on the evaluation performed under (a) of this subsection, for adopting best practices and uniform procedures.

Sec. 4. RCW 29A.60.110 and 2013 c 11 s 61 are each amended to read as follows:

(1) Immediately after their tabulation, all ballots counted at a ballot counting center must be sealed in containers that identify the primary or election and be retained for at least sixty days or according to federal law, whichever is longer.

(2) In the presence of major party observers who are available, ballots may be removed from the sealed containers at the elections department and consolidated into one sealed container for storage purposes. The containers may only be opened by the canvassing board as part of the canvass, to conduct recounts, to conduct a random check under RCW 29A.60.170, to conduct an audit under RCW 29A.60.185, or by order of the superior court in a contest or election dispute. If the canvassing board opens a ballot container, it shall make a full record of the additional tabulation or examination made of the ballots. This record must be added to any other record of the canvassing process in that county.

Sec. 5. RCW 29A.12.005 and 2013 c 11 s 21 are each amended to read as follows:

As used in this chapter, "voting system" means:

(1) The total combination of mechanical, electromechanical, or electronic equipment including, but not limited to, the software, firmware, and documentation required to program, control, and support the equipment, that is used:

- (a) To define ballots;
- (b) To cast and count votes;
- (c) To report or display election results from the voting system; ~~((and))~~
- (d) To maintain and produce any audit trail information; and
- (e) To perform an audit under RCW 29A.60.185; and

(2) The practices and associated documentation used:

- (a) To identify system components and versions of such components;
- (b) To test the system during its development and maintenance;
- (c) To maintain records of system errors and defects;
- (d) To determine specific system changes to be made to a system after the initial qualification of the system; and

(e) To make available any materials to the voter such as notices, instructions, forms, or paper ballots.

NEW SECTION. Sec. 6. A new section is added to chapter 29A.12 RCW to read as follows:

(1) A manufacturer or distributor of a voting system or component of a voting system that is certified by the secretary of state under RCW 29A.12.020 shall disclose to the secretary of state and attorney general any breach of the security of its system immediately following discovery of the breach if:

(a) The breach has, or is reasonably likely to have, compromised the security, confidentiality, or integrity of an election in any state; or

(b) Personal information of residents in any state was, or is reasonably believed to have been, acquired by an unauthorized person as a result of the breach and the personal information was not secured. For purposes of this subsection, "personal information" has the meaning given in RCW 19.255.010.

(2) Notification under subsection (1) of this section must be made in the most expedient time possible and without unreasonable delay.

NEW SECTION. Sec. 7. A new section is added to chapter 29A.12 RCW to read as follows:

(1) The secretary of state may decertify a voting system or any component of a voting system and withdraw authority for its future use or sale in the state if, at any time after certification, the secretary of state determines that:

(a) The system or component fails to meet the standards set forth in applicable federal guidelines;

(b) The system or component was materially misrepresented in the certification application;

(c) The applicant has installed unauthorized modifications to the certified software or hardware; or

(d) Any other reason authorized by rule adopted by the secretary of state.

(2) The secretary of state may decertify a voting system or any component of a voting system and withdraw authority for its future use or sale in the state if the manufacturer or distributor of the voting system or component thereof fails to comply with the notification requirements of section 6 of this act.

Sec. 8. RCW 29A.60.125 and 2005 c 243 s 10 are each amended to read as follows:

If inspection of the ballot reveals a physically damaged ballot or ballot that may be otherwise unreadable or uncountable by the tabulating system, the county auditor may refer the ballot to the county canvassing board or duplicate the ballot if so authorized by the county canvassing board. The voter's original ballot may not be altered. A ballot may be duplicated only if the intent of the voter's marks on the ballot is clear and the electronic voting equipment might not otherwise properly tally the ballot to reflect the intent of the voter. Ballots must be duplicated by teams of two or more people working together. When duplicating ballots, the county auditor shall take the following steps to create and maintain an audit trail of the action taken:

(1) Each original ballot and duplicate ballot must be assigned the same unique control number, with the number being marked upon the face of each ballot, to ensure that each duplicate ballot may be tied back to the original ballot;

(2) A log must be kept of the ballots duplicated, which must at least include:

- (a) The control number of each original ballot and the corresponding duplicate ballot;
- (b) The initials of at least two people who participated in the duplication of each ballot; and
- (c) The total number of ballots duplicated.

Original and duplicate ballots must be sealed in secure storage at all times, except during duplication, inspection by the canvassing board, ~~((and))~~ tabulation, or to conduct an audit under RCW 29A.60.185.

Sec. 9. RCW 29A.60.235 and 2017 c 300 s 1 are each amended to read as follows:

(1) The county auditor shall prepare at the time of certification an election reconciliation report that discloses the following information:

- (a) The number of registered voters;
- (b) The number of ballots issued;
- (c) The number of ballots received;
- (d) The number of ballots counted;
- (e) The number of ballots rejected;
- (f) The number of provisional ballots issued;
- (g) The number of provisional ballots received;
- (h) The number of provisional ballots counted;
- (i) The number of provisional ballots rejected;
- (j) The number of federal write-in ballots received;
- (k) The number of federal write-in ballots counted;
- (l) The number of federal write-in ballots rejected;
- (m) The number of overseas and service ballots issued by mail, email, web site link, or facsimile;
- (n) The number of overseas and service ballots received by mail, email, or facsimile;
- (o) The number of overseas and service ballots counted by mail, email, or facsimile;
- (p) The number of overseas and service ballots rejected by mail, email, or facsimile;
- (q) The number of nonoverseas and nonservice ballots sent by email, web site link, or facsimile;
- (r) The number of nonoverseas and nonservice ballots received by email or facsimile;
- (s) The number of nonoverseas and nonservice ballots that were rejected for:
 - (i) Failing to send an original or hard copy of the ballot by the certification deadline; or
 - (ii) Any other reason, including the reason for rejection;
- (t) The number of voters credited with voting; ~~((and))~~
- (u) The number of replacement ballots requested;
- (v) The number of replacement ballots issued;
- (w) The number of replacement ballots received;
- (x) The number of replacement ballots counted;
- (y) The number of replacement ballots rejected; and

(z) Any other information the auditor or secretary of state deems necessary to reconcile the number of ballots counted with the number of voters credited with voting, and to maintain an audit trail.

(2) The county auditor must make the report available to the public at the auditor's office and must publish the report on the auditor's web site at the time of certification. The county auditor must submit the report to the secretary of state at the time of certification in any form determined by the secretary of state.

(3)(a) The secretary of state must collect the reconciliation reports from each county auditor and prepare a statewide reconciliation report for each state primary and general election. The report may be produced in a form determined by the secretary that includes the information as described in this subsection (3). The report must be prepared and published on the secretary of state's web site within two months after the last county's election results have been certified.

(b) The state report must include a comparison among counties on rates of votes received, counted, and rejected, including provisional, write-in, overseas ballots, and ballots transmitted electronically. The comparison information may be in the form of rankings, percentages, or other relevant quantifiable data that can be used to measure performance and trends.

(c) The state report must also include an analysis of the data that can be used to develop a better understanding of election administration and policy. The analysis must combine data, as available, over multiple years to provide broader comparisons and trends regarding voter registration and turnout and ballot counting. The analysis must incorporate national election statistics to the extent such information is available.

Passed by the House March 7, 2018.

Passed by the Senate March 6, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 219

[Engrossed Substitute House Bill 2408]

INDIVIDUAL MARKET HEALTH CARE COVERAGE--AVAILABILITY

AN ACT Relating to preserving access to individual market health care coverage throughout Washington state; amending RCW 48.41.200 and 48.41.090; adding a new section to chapter 41.05 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:

(a) Access to health care is fundamental to the health and safety of the citizens of Washington state;

(b) Health insurance coverage is necessary for most people to access health care;

(c) Due to uncertainty in the health insurance marketplace, volatility in the current federal regulatory environment, and rising health care costs, ensuring access to the private health insurance market in every county in Washington state is becoming more difficult;

(d) The consequences of losing private health insurance coverage in a county would be catastrophic, leading to deteriorating health outcomes, lost productivity, and lower quality of life; and

(e) If the private market fails to provide coverage in a county, the state must intervene.

(2) The legislature therefore intends to:

(a) Leverage the provider networks used by private insurers offering coverage to state and school employees to ensure private insurance coverage is available in all counties where those insurers offer coverage to state and school employees; and

(b) Until such coverage is available, make coverage in the Washington state health insurance pool more affordable to persons residing in counties where no private insurance is available.

NEW SECTION. Sec. 2. A new section is added to chapter 41.05 RCW to read as follows:

(1) For plan years beginning January 1, 2020, at least one health carrier in an insurance holding company system must offer in the exchange at least one silver and one gold qualified health plan in any county in which any health carrier in that insurance holding company system offers a fully insured health plan that was approved, on or after the effective date of this section, by the school employees' benefits board or the public employees' benefits board to be offered to employees and their covered dependents under this chapter.

(2) The rates for a health plan approved by the school employees' benefits board or the public employees' benefits board may not include the administrative costs or actuarial risks associated with a qualified health plan offered under subsection (1) of this section.

(3) The authority shall perform an actuarial review during the annual rate setting process for plans approved by the school employees' benefits board or the public employees' benefits board to ensure compliance with subsection (2) of this section.

(4) For purposes of this section, "exchange" and "health carrier" have the same meaning as in RCW 48.43.005.

(5) For purposes of this section, "insurance holding company system" has the same meaning as in RCW 48.31B.005.

Sec. 3. RCW 48.41.200 and 2007 c 259 s 28 are each amended to read as follows:

(1) The pool shall determine the standard risk rate by calculating the average individual standard rate charged for coverage comparable to pool coverage by the five largest members, measured in terms of individual market enrollment, offering such coverages in the state. In the event five members do not offer comparable coverage, the standard risk rate shall be established using reasonable actuarial techniques and shall reflect anticipated experience and expenses for such coverage in the individual market.

(2) Subject to subsection (3) of this section, maximum rates for pool coverage shall be as follows:

(a) Maximum rates for a pool indemnity health plan shall be one hundred fifty percent of the rate calculated under subsection (1) of this section;

(b) Maximum rates for a pool care management plan shall be one hundred twenty-five percent of the rate calculated under subsection (1) of this section; and

(c) Maximum rates for a person eligible for pool coverage pursuant to RCW 48.41.100(1)(a) who was enrolled at any time during the sixty-three day period immediately prior to the date of application for pool coverage in a group health benefit plan or an individual health benefit plan other than a catastrophic health plan as defined in RCW 48.43.005, where such coverage was continuous for at least eighteen months, shall be:

(i) For a pool indemnity health plan, one hundred twenty-five percent of the rate calculated under subsection (1) of this section; and

(ii) For a pool care management plan, one hundred ten percent of the rate calculated under subsection (1) of this section.

(3)(a) Subject to (b) and (c) of this subsection:

(i) The rate for any person, other than a person eligible for a rate reduction under subsection (4) of this section, whose current gross family income is less than two hundred fifty-one percent of the federal poverty level shall be reduced by thirty percent from what it would otherwise be;

(ii) The rate for any person, other than a person eligible for a rate reduction under subsection (4) of this section, whose current gross family income is more than two hundred fifty but less than three hundred one percent of the federal poverty level shall be reduced by fifteen percent from what it would otherwise be;

(iii) The rate for any person who has been enrolled in the pool for more than thirty-six months shall be reduced by five percent from what it would otherwise be.

(b) In no event shall the rate for any person be less than one hundred ten percent of the rate calculated under subsection (1) of this section.

(c) Rate reductions under (a)(i) and (ii) of this subsection shall be available only to the extent that funds are specifically appropriated for this purpose in the omnibus appropriations act.

(4) The rate for any person eligible for pool coverage under RCW 48.41.100(1)(a)(i) shall be reduced as follows:

(a) The rate for a person whose current modified adjusted gross income is less than or equal to two hundred percent of the federal poverty level must be reduced by eighty percent from what it otherwise would be;

(b) The rate for a person whose current modified adjusted gross income is more than two hundred percent, but less than or equal to three hundred percent of the federal poverty level must be reduced by sixty percent from what it otherwise would be;

(c) The rate for a person whose current modified adjusted gross income is more than three hundred percent, but less than or equal to four hundred percent of the federal poverty level must be reduced by fifty percent from what it otherwise would be; and

(d) The rate for a person whose current modified adjusted gross income is more than four hundred percent of the federal poverty level must be reduced by thirty percent from what it otherwise would be.

Sec. 4. RCW 48.41.090 and 2013 2nd sp.s. c 6 s 7 are each amended to read as follows:

(1) Following the close of each accounting year, the pool administrator shall determine the total net cost of pool operation which shall include:

(a) Net premium (premiums less administrative expense allowances), the pool expenses of administration, and incurred losses for the year, taking into account investment income and other appropriate gains and losses; ~~((and))~~

(b) The amount of pool contributions specified in the state omnibus appropriations act for deposit into the health benefit exchange account under RCW 43.71.060, to assist with the transition of enrollees from the pool into the health benefit exchange created by chapter 43.71 RCW; and

(c) Any rate reductions received by individuals under RCW 48.41.200(4).

(2)(a) Each member's proportion of participation in the pool shall be determined annually by the board based on annual statements and other reports deemed necessary by the board and filed by the member with the commissioner; and shall be determined by multiplying the total cost of pool operation by a fraction. The numerator of the fraction equals that member's total number of resident insured persons, including spouse and dependents, covered under all health plans in the state by that member during the preceding calendar year. The denominator of the fraction equals the total number of resident insured persons, including spouses and dependents, covered under all health plans in the state by all pool members during the preceding calendar year.

(b) For purposes of calculating the numerator and the denominator under (a) of this subsection:

(i) All health plans in the state by the state health care authority include only the uniform medical plan;

(ii) Each ten resident insured persons, including spouse and dependents, under a stop loss plan or the uniform medical plan shall count as one resident insured person;

(iii) Health plans serving medical care services program clients under RCW 74.09.035 are exempted from the calculation; and

(iv) Health plans established to serve elderly clients or medicaid clients with disabilities under chapter 74.09 RCW when the plan has been implemented on a demonstration or pilot project basis are exempted from the calculation until July 1, 2009.

(c) Except as provided in RCW 48.41.037, any deficit incurred by the pool, including pool contributions for deposit into the health benefit exchange account, shall be recouped by assessments among members apportioned under this subsection pursuant to the formula set forth by the board among members. The monthly per member assessment may not exceed the 2013 assessment level. If the maximum assessment is insufficient to cover a pool deficit the assessment shall be used first to pay all incurred losses and pool administrative expenses, with the remainder being available for deposit in the health benefit exchange account.

(3) The board may abate or defer, in whole or in part, the assessment of a member if, in the opinion of the board, payment of the assessment would endanger the ability of the member to fulfill its contractual obligations. If an assessment against a member is abated or deferred in whole or in part, the amount by which such assessment is abated or deferred may be assessed against the other members in a manner consistent with the basis for assessments set forth

in subsection (2) of this section. The member receiving such abatement or deferment shall remain liable to the pool for the deficiency.

(4) Subject to the limitation imposed in subsection (2)(c) of this section, the pool administrator shall transfer the assessments for pool contributions for the operation of the health benefit exchange to the treasurer for deposit into the health benefit exchange account with the quarterly assessments for 2014 as specified in the state omnibus appropriations act. If assessments exceed actual losses and administrative expenses of the pool and pool contributions for deposit into the health benefit exchange account, the excess shall be held at interest and used by the board to offset future losses or to reduce pool premiums. As used in this subsection, "future losses" includes reserves for incurred but not reported claims.

NEW SECTION. Sec. 5. Sections 3 and 4 of this act expire December 31, 2019.

NEW SECTION. Sec. 6. 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 8, 2018.

Passed by the Senate March 7, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 220

[House Bill 2435]

RESPIRE CARE PROVIDERS--TRAINING

AN ACT Relating to reducing training requirements for certain respite care providers who provide respite to unpaid caregivers and work three hundred hours or less in any calendar year; and amending RCW 74.39A.076.

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

Sec. 1. RCW 74.39A.076 and 2017 c 267 s 1 are each amended to read as follows:

(1) Beginning January 7, 2012, except for long-term care workers exempt from certification under RCW 18.88B.041(1)(a):

(a) A biological, step, or adoptive parent who is the individual provider only for his or her developmentally disabled son or daughter must receive twelve hours of training relevant to the needs of adults with developmental disabilities within the first one hundred twenty days after becoming an individual provider.

(b) A person working as an individual provider who (i) provides respite care services only for individuals with developmental disabilities receiving services under Title 71A RCW or only for individuals who receive services under this chapter, and (ii) works three hundred hours or less in any calendar year, must complete fourteen hours of training within the first one hundred twenty days after becoming an individual provider. Five of the fourteen hours must be completed before becoming eligible to provide care, including two hours of orientation training regarding the caregiving role and terms of employment and three hours of safety training. The training partnership identified in RCW

74.39A.360 must offer at least twelve of the fourteen hours online, and five of those online hours must be individually selected from elective courses.

(c) Individual providers identified in (c)(i) or (ii) of this subsection must complete thirty-five hours of training within the first one hundred twenty days after becoming an individual provider. Five of the thirty-five hours must be completed before becoming eligible to provide care. Two of these five hours shall be devoted to an orientation training regarding an individual provider's role as caregiver and the applicable terms of employment, and three hours shall be devoted to safety training, including basic safety precautions, emergency procedures, and infection control. Individual providers subject to this requirement include:

(i) An individual provider caring only for his or her biological, step, or adoptive child or parent unless covered by (a) of this subsection; and

(ii) A person working as an individual provider who provides twenty hours or less of care for one person in any calendar month(~~and~~

~~(iii) A person working as an individual provider who only provides respite services and works less than three hundred hours in any calendar year, unless covered by subsection (1)(b) of this section).~~

(2) In computing the time periods in this section, the first day is the date of hire.

(3) Only training curriculum approved by the department may be used to fulfill the training requirements specified in this section. The department shall only approve training curriculum that:

(a) Has been developed with input from consumer and worker representatives; and

(b) Requires comprehensive instruction by qualified instructors.

(4) The department shall adopt rules to implement this section.

Passed by the House March 3, 2018.

Passed by the Senate February 27, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 221

[Engrossed House Bill 2444]

LOW-INCOME HOUSING DEVELOPMENT-REAL ESTATE EXCISE TAX EXEMPTION

AN ACT Relating to providing a real estate excise tax exemption for certain transfers of low-income housing; amending RCW 82.45.010; creating a new section; and providing an effective date.

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

Sec. 1. RCW 82.45.010 and 2014 c 58 s 24 are each amended to read as follows:

(1) As used in this chapter, the term "sale" has its ordinary meaning and includes any conveyance, grant, assignment, quitclaim, or transfer of the ownership of or title to real property, including standing timber, or any estate or interest therein for a valuable consideration, and any contract for such conveyance, grant, assignment, quitclaim, or transfer, and any lease with an option to purchase real property, including standing timber, or any estate or interest therein or other contract under which possession of the property is given

to the purchaser, or any other person at the purchaser's direction, and title to the property is retained by the vendor as security for the payment of the purchase price. The term also includes the grant, assignment, quitclaim, sale, or transfer of improvements constructed upon leased land.

(2)(a) The term "sale" also includes the transfer or acquisition within any twelve-month period of a controlling interest in any entity with an interest in real property located in this state for a valuable consideration.

(b) For the sole purpose of determining whether, pursuant to the exercise of an option, a controlling interest was transferred or acquired within a twelve-month period, the date that the option agreement was executed is the date on which the transfer or acquisition of the controlling interest is deemed to occur. For all other purposes under this chapter, the date upon which the option is exercised is the date of the transfer or acquisition of the controlling interest.

(c) For purposes of this subsection, all acquisitions of persons acting in concert must be aggregated for purposes of determining whether a transfer or acquisition of a controlling interest has taken place. The department must adopt standards by rule to determine when persons are acting in concert. In adopting a rule for this purpose, the department must consider the following:

(i) Persons must be treated as acting in concert when they have a relationship with each other such that one person influences or controls the actions of another through common ownership; and

(ii) When persons are not commonly owned or controlled, they must be treated as acting in concert only when the unity with which the purchasers have negotiated and will consummate the transfer of ownership interests supports a finding that they are acting as a single entity. If the acquisitions are completely independent, with each purchaser buying without regard to the identity of the other purchasers, then the acquisitions are considered separate acquisitions.

(3) The term "sale" does not include:

(a) A transfer by gift, devise, or inheritance.

(b) A transfer by transfer on death deed, to the extent that it is not in satisfaction of a contractual obligation of the decedent owed to the recipient of the property.

(c) A transfer of any leasehold interest other than of the type mentioned above.

(d) A cancellation or forfeiture of a vendee's interest in a contract for the sale of real property, whether or not such contract contains a forfeiture clause, or deed in lieu of foreclosure of a mortgage.

(e) The partition of property by tenants in common by agreement or as the result of a court decree.

(f) The assignment of property or interest in property from one spouse or one domestic partner to the other spouse or other domestic partner in accordance with the terms of a decree of dissolution of marriage or state registered domestic partnership or in fulfillment of a property settlement agreement.

(g) The assignment or other transfer of a vendor's interest in a contract for the sale of real property, even though accompanied by a conveyance of the vendor's interest in the real property involved.

(h) Transfers by appropriation or decree in condemnation proceedings brought by the United States, the state or any political subdivision thereof, or a municipal corporation.

(i) A mortgage or other transfer of an interest in real property merely to secure a debt, or the assignment thereof.

(j) Any transfer or conveyance made pursuant to a deed of trust or an order of sale by the court in any mortgage, deed of trust, or lien foreclosure proceeding or upon execution of a judgment, or deed in lieu of foreclosure to satisfy a mortgage or deed of trust.

(k) A conveyance to the federal housing administration or veterans administration by an authorized mortgagee made pursuant to a contract of insurance or guaranty with the federal housing administration or veterans administration.

(l) A transfer in compliance with the terms of any lease or contract upon which the tax as imposed by this chapter has been paid or where the lease or contract was entered into prior to the date this tax was first imposed.

(m) The sale of any grave or lot in an established cemetery.

(n) A sale by the United States, this state or any political subdivision thereof, or a municipal corporation of this state.

(o) A sale to a regional transit authority or public corporation under RCW 81.112.320 under a sale/leaseback agreement under RCW 81.112.300.

(p) A transfer of real property, however effected, if it consists of a mere change in identity or form of ownership of an entity where there is no change in the beneficial ownership. These include transfers to a corporation or partnership which is wholly owned by the transferor and/or the transferor's spouse or domestic partner or children of the transferor or the transferor's spouse or domestic partner. However, if thereafter such transferee corporation or partnership voluntarily transfers such real property, or such transferor, spouse or domestic partner, or children of the transferor or the transferor's spouse or domestic partner voluntarily transfer stock in the transferee corporation or interest in the transferee partnership capital, as the case may be, to other than (i) the transferor and/or the transferor's spouse or domestic partner or children of the transferor or the transferor's spouse or domestic partner, (ii) a trust having the transferor and/or the transferor's spouse or domestic partner or children of the transferor or the transferor's spouse or domestic partner as the only beneficiaries at the time of the transfer to the trust, or (iii) a corporation or partnership wholly owned by the original transferor and/or the transferor's spouse or domestic partner or children of the transferor or the transferor's spouse or domestic partner, within three years of the original transfer to which this exemption applies, and the tax on the subsequent transfer has not been paid within sixty days of becoming due, excise taxes become due and payable on the original transfer as otherwise provided by law.

(q)(i) A transfer that for federal income tax purposes does not involve the recognition of gain or loss for entity formation, liquidation or dissolution, and reorganization, including but not limited to nonrecognition of gain or loss because of application of 26 U.S.C. Sec. 332, 337, 351, 368(a)(1), 721, or 731 of the internal revenue code of 1986, as amended.

(ii) However, the transfer described in (q)(i) of this subsection cannot be preceded or followed within a twelve-month period by another transfer or series of transfers, that, when combined with the otherwise exempt transfer or transfers described in (q)(i) of this subsection, results in the transfer of a controlling interest in the entity for valuable consideration, and in which one or more

persons previously holding a controlling interest in the entity receive cash or property in exchange for any interest the person or persons acting in concert hold in the entity. This subsection (3) (q)(ii) does not apply to that part of the transfer involving property received that is the real property interest that the person or persons originally contributed to the entity or when one or more persons who did not contribute real property or belong to the entity at a time when real property was purchased receive cash or personal property in exchange for that person or persons' interest in the entity. The real estate excise tax under this subsection (3)(q)(ii) is imposed upon the person or persons who previously held a controlling interest in the entity.

(r) A qualified sale of a manufactured/mobile home community, as defined in RCW 59.20.030, that takes place on or after June 12, 2008, but before December 31, 2018.

(s)(i) A transfer of a qualified low-income housing development or controlling interest in a qualified low-income housing development, unless, due to noncompliance with federal statutory requirements, the seller is subject to recapture, in whole or in part, of its allocated federal low-income housing tax credits within the four years prior to the date of transfer.

(ii) For purposes of this subsection (3)(s), "qualified low-income housing development" means real property and improvements in respect to which the seller or, in the case of a transfer of a controlling interest, the owner or beneficial owner, was allocated federal low-income housing tax credits authorized under 26 U.S.C. Sec. 42 or successor statute, by the Washington state housing finance commission or successor state-authorized tax credit allocating agency.

(iii) This subsection (3)(s) does not apply to transfers of a qualified low-income housing development or controlling interest in a qualified low-income housing development occurring on or after July 1, 2035.

(iv) The Washington state housing finance commission, in consultation with the department, must gather data on: (A) The fiscal savings, if any, accruing to transferees as a result of the exemption provided in this subsection (3)(s); (B) the extent to which transferors of qualified low-income housing developments receive consideration, including any assumption of debt, as part of a transfer subject to the exemption provided in this subsection (3)(s); and (C) the continued use of the property for low-income housing. The Washington state housing finance commission must provide this information to the joint legislative audit and review committee. The committee must conduct a review of the tax preference created under this subsection (3)(s) in calendar year 2033, as required under chapter 43.136 RCW.

NEW SECTION. Sec. 2. This act applies with respect to transfers occurring before, on, or after the effective date of this section. However, this act may not be construed by the department of revenue, state board of tax appeals, or any court as authorizing the refund of any tax liability imposed or authorized under chapter 82.45 or 82.46 RCW and properly paid before the effective date of section 1 of this act with respect to a transfer of qualified low-income housing as defined in RCW 82.45.010(3)(s).

NEW SECTION. Sec. 3. This act takes effect July 1, 2018.

Passed by the House March 8, 2018.

Passed by the Senate March 8, 2018.

Approved by the Governor March 22, 2018.
 Filed in Office of Secretary of State March 26, 2018.

CHAPTER 222

[House Bill 2446]

PHYSICAL THERAPY ASSISTIVE PERSONNEL--SUPERVISION

AN ACT Relating to physical therapist supervision of assistive personnel; and amending RCW 18.74.010 and 18.74.180.

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

Sec. 1. RCW 18.74.010 and 2016 c 41 s 16 are each amended to read as follows:

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

(1) "Authorized health care practitioner" means and includes licensed physicians, osteopathic physicians, chiropractors, naturopaths, podiatric physicians and surgeons, dentists, and advanced registered nurse practitioners: PROVIDED, HOWEVER, That nothing herein shall be construed as altering the scope of practice of such practitioners as defined in their respective licensure laws.

(2) "Board" means the board of physical therapy created by RCW 18.74.020.

(3) "Close supervision" means that the supervisor has personally diagnosed the condition to be treated and has personally authorized the procedures to be performed. The supervisor is continuously on-site and physically present in the operatory while the procedures are performed and capable of responding immediately in the event of an emergency.

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

(5) "Direct supervision" means the supervisor must (a) be continuously on-site and present in the department or facility where the person being supervised is performing services; (b) be immediately available to assist the person being supervised in the services being performed; and (c) maintain continued involvement in appropriate aspects of each treatment session in which a component of treatment is delegated to assistive personnel or is required to be directly supervised under RCW 18.74.190.

(6) "Indirect supervision" means the supervisor is not on the premises, but has given either written or oral instructions for treatment of the patient and the patient has been examined by the physical therapist at such time as acceptable health care practice requires and consistent with the particular delegated health care task.

(7) "Physical therapist" means a person who meets all the requirements of this chapter and is licensed in this state to practice physical therapy.

(8)(a) "Physical therapist assistant" means a person who meets all the requirements of this chapter and is licensed as a physical therapist assistant and who performs physical therapy procedures and related tasks that have been selected and delegated only by the supervising physical therapist. However, a physical therapist may not delegate sharp debridement to a physical therapist assistant.

(b) "Physical therapy aide" means ~~((a))~~ an unlicensed person who ((is involved in direct)) receives ongoing on-the-job training and assists a physical therapist or physical therapist assistant in providing physical therapy patient care and who does not meet the definition of a physical therapist ((or)), physical therapist assistant ((and receives ongoing on-the-job training)), or other assistive personnel. A physical therapy aide may directly assist in the implementation of therapeutic interventions, but may not alter or modify the plan of therapeutic interventions and may not perform any procedure or task which only a physical therapist may perform under this chapter.

(c) "Other assistive personnel" means other trained or educated health care personnel, not defined in (a) or (b) of this subsection, who perform specific designated tasks that are related to physical therapy and within their license, scope of practice, or formal education, under the supervision of a physical therapist, including but not limited to licensed massage therapists, athletic trainers, and exercise physiologists. At the direction of the supervising physical therapist, and if properly credentialed and not prohibited by any other law, other assistive personnel may be identified by the title specific to their license, training, or education.

(9) "Physical therapy" means the care and services provided by or under the direction and supervision of a physical therapist licensed by the state. Except as provided in RCW 18.74.190, the use of Roentgen rays and radium for diagnostic and therapeutic purposes, the use of electricity for surgical purposes, including cauterization, and the use of spinal manipulation, or manipulative mobilization of the spine and its immediate articulations, are not included under the term "physical therapy" as used in this chapter.

(10) "Practice of physical therapy" is based on movement science and means:

(a) Examining, evaluating, and testing individuals with mechanical, physiological, and developmental impairments, functional limitations in movement, and disability or other health and movement-related conditions in order to determine a diagnosis, prognosis, plan of therapeutic intervention, and to assess and document the ongoing effects of intervention;

(b) Alleviating impairments and functional limitations in movement by designing, implementing, and modifying therapeutic interventions that include therapeutic exercise; functional training related to balance, posture, and movement to facilitate self-care and reintegration into home, community, or work; manual therapy including soft tissue and joint mobilization and manipulation; therapeutic massage; assistive, adaptive, protective, and devices related to postural control and mobility except as restricted by (c) of this subsection; airway clearance techniques; physical agents or modalities; mechanical and electrotherapeutic modalities; and patient-related instruction;

(c) Training for, and the evaluation of, the function of a patient wearing an orthosis or prosthesis as defined in RCW 18.200.010. Physical therapists may provide those direct-formed and prefabricated upper limb, knee, and ankle-foot orthoses, but not fracture orthoses except those for hand, wrist, ankle, and foot fractures, and assistive technology devices specified in RCW 18.200.010 as exemptions from the defined scope of licensed orthotic and prosthetic services. It is the intent of the legislature that the unregulated devices specified in RCW 18.200.010 are in the public domain to the extent that they may be provided in

common with individuals or other health providers, whether unregulated or regulated under this title, without regard to any scope of practice;

(d) Performing wound care services that are limited to sharp debridement, debridement with other agents, dry dressings, wet dressings, topical agents including enzymes, hydrotherapy, electrical stimulation, ultrasound, and other similar treatments. Physical therapists may not delegate sharp debridement. A physical therapist may perform wound care services only by referral from or after consultation with an authorized health care practitioner;

(e) Reducing the risk of injury, impairment, functional limitation, and disability related to movement, including the promotion and maintenance of fitness, health, and quality of life in all age populations; and

(f) Engaging in administration, consultation, education, and research.

(11) "Secretary" means the secretary of health.

(12) "Sharp debridement" means the removal of devitalized tissue from a wound with scissors, scalpel, and tweezers without anesthesia. "Sharp debridement" does not mean surgical debridement. A physical therapist may perform sharp debridement, to include the use of a scalpel, only upon showing evidence of adequate education and training as established by rule. Until the rules are established, but no later than July 1, 2006, physical therapists licensed under this chapter who perform sharp debridement as of July 24, 2005, shall submit to the secretary an affidavit that includes evidence of adequate education and training in sharp debridement, including the use of a scalpel.

(13) "Spinal manipulation" includes spinal manipulation, spinal manipulative therapy, high velocity thrust maneuvers, and grade five mobilization of the spine and its immediate articulations.

(14) Words importing the masculine gender may be applied to females.

Sec. 2. RCW 18.74.180 and 2013 c 280 s 2 are each amended to read as follows:

A physical therapist is professionally and legally responsible for patient care given by assistive personnel under his or her supervision. If a physical therapist fails to adequately supervise patient care given by assistive personnel, the board may take disciplinary action against the physical therapist.

(1) Regardless of the setting in which physical therapy services are provided, only the licensed physical therapist may perform the following responsibilities:

(a) Interpretation of referrals;

(b) Initial examination, problem identification, and diagnosis for physical therapy;

(c) Development or modification of a plan of care that is based on the initial examination and includes the goals for physical therapy intervention;

(d) Determination of which tasks require the expertise and decision-making capacity of the physical therapist and must be personally rendered by the physical therapist, and which tasks may be delegated;

(e) Assurance of the qualifications of all assistive personnel to perform assigned tasks through written documentation of their education or training that is maintained and available at all times;

(f) Delegation and instruction of the services to be rendered by the physical therapist, physical therapist assistant, other assistive personnel, or physical

therapy aide including, but not limited to, specific tasks or procedures, precautions, special problems, and contraindicated procedures;

(g) Timely review of documentation, reexamination of the patient, and revision of the plan of care when indicated;

(h) Establishment of a discharge plan.

(2) If patient care is given by a physical therapist assistant, or other assistive personnel, supervision by the physical therapist requires that the patient reevaluation is performed:

(a) ~~((Every fifth visit, or if treatment is performed more than five times per week, reevaluation must be performed at least once a week;))~~ The later of every fifth visit or every thirty days if a physical therapist has not treated the patient for any of the five visits or within the thirty days;

(b) When there is any change in the patient's condition not consistent with planned progress or treatment goals.

(3) Supervision of assistive personnel means:

(a) Physical therapist assistants may function under direct or indirect supervision;

(b) Physical therapy aides must function under direct supervision at all times. Other assistive personnel must function under direct supervision when treating a patient under a physical therapy plan of care;

(c)(i) ~~((The physical therapist may supervise a total of two assistive personnel at any one time.))~~ Except as provided in (c)(ii) of this subsection, at any one time, the physical therapist may supervise up to a total of three assistive personnel, who may be physical therapist assistants, other assistive personnel, or physical therapy aides. If the physical therapist is supervising the maximum of three assistive personnel at any one time, no more than one of the assistive personnel may be a physical therapy aide. The physical therapist has the sole discretion, based on the physical therapist's clinical judgment, to determine whether to utilize assistive personnel to provide services to a patient.

(ii) A physical therapist working in a nursing home as defined in RCW 18.51.010 or in the public schools as defined in RCW 28A.150.010, may supervise a total of only two assistive personnel at any one time.

(iii) In addition to the ~~((two))~~ assistive personnel authorized in (c)(i) and (ii) of this subsection, the physical therapist may supervise a total of two persons who are pursuing a course of study leading to a degree as a physical therapist or a physical therapist assistant.

Passed by the House February 12, 2018.

Passed by the Senate February 27, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 223

[Substitute House Bill 2448]

DEVELOPMENTALLY DISABLED PERSONS--HOUSING--TRANSFERS AND IMPROVEMENTS

AN ACT Relating to increasing the availability of housing for developmentally disabled persons; amending RCW 82.45.010 and 43.185.050; and creating new sections.

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

NEW SECTION. Sec. 1. The legislature finds that there is need to expand housing opportunities for persons with developmental disabilities. The legislature finds it is often preferable for persons with developmental disabilities to remain residing in their home, when it is safe and appropriate, to foster ongoing stability. The legislature recognizes that securing a child's future housing and services provides the parents of persons with developmental disabilities peace of mind. The legislature further finds that providing a new mechanism for the transfer of residential property into housing for persons with developmental disabilities expands the state's housing capacity and helps meet demand. The legislature further finds that utilizing existing residential property will reduce the demands on the housing trust fund. The legislature finds that there is an opportunity and need, for advocates and the supporters of the developmental disabilities community to work together, to develop model transfer agreements that will provide peace of mind and assist parents of children with developmental disabilities more readily access this program.

NEW SECTION. Sec. 2. (1) This section is the tax preference performance statement for the tax preference contained in section 3, chapter . . . , Laws of 2018 (section 3 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 to be used to determine eligibility for preferential tax treatment.

(2) The legislature categorizes this tax preference as one 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 reduce the tax burden on individuals and businesses imposed by the existing real estate excise tax rates.

(4) If a review finds that there is an increase of residential property transfers by parents of a person with developmental disabilities to a qualified entity as a result of the relief from this tax preference, then the legislature intends to extend the expiration date of this tax preference.

(5) In order to obtain the data necessary to perform the review in subsection (4) of this section, the joint legislative audit and review committee may refer to any data collected by the state.

Sec. 3. RCW 82.45.010 and 2014 c 58 s 24 are each amended to read as follows:

(1) As used in this chapter, the term "sale" has its ordinary meaning and includes any conveyance, grant, assignment, quitclaim, or transfer of the ownership of or title to real property, including standing timber, or any estate or interest therein for a valuable consideration, and any contract for such conveyance, grant, assignment, quitclaim, or transfer, and any lease with an option to purchase real property, including standing timber, or any estate or interest therein or other contract under which possession of the property is given to the purchaser, or any other person at the purchaser's direction, and title to the property is retained by the vendor as security for the payment of the purchase price. The term also includes the grant, assignment, quitclaim, sale, or transfer of improvements constructed upon leased land.

(2)(a) The term "sale" also includes the transfer or acquisition within any twelve-month period of a controlling interest in any entity with an interest in real property located in this state for a valuable consideration.

(b) For the sole purpose of determining whether, pursuant to the exercise of an option, a controlling interest was transferred or acquired within a twelve-month period, the date that the option agreement was executed is the date on which the transfer or acquisition of the controlling interest is deemed to occur. For all other purposes under this chapter, the date upon which the option is exercised is the date of the transfer or acquisition of the controlling interest.

(c) For purposes of this subsection, all acquisitions of persons acting in concert must be aggregated for purposes of determining whether a transfer or acquisition of a controlling interest has taken place. The department must adopt standards by rule to determine when persons are acting in concert. In adopting a rule for this purpose, the department must consider the following:

(i) Persons must be treated as acting in concert when they have a relationship with each other such that one person influences or controls the actions of another through common ownership; and

(ii) When persons are not commonly owned or controlled, they must be treated as acting in concert only when the unity with which the purchasers have negotiated and will consummate the transfer of ownership interests supports a finding that they are acting as a single entity. If the acquisitions are completely independent, with each purchaser buying without regard to the identity of the other purchasers, then the acquisitions are considered separate acquisitions.

(3) The term "sale" does not include:

(a) A transfer by gift, devise, or inheritance.

(b) A transfer by transfer on death deed, to the extent that it is not in satisfaction of a contractual obligation of the decedent owed to the recipient of the property.

(c) A transfer of any leasehold interest other than of the type mentioned above.

(d) A cancellation or forfeiture of a vendee's interest in a contract for the sale of real property, whether or not such contract contains a forfeiture clause, or deed in lieu of foreclosure of a mortgage.

(e) The partition of property by tenants in common by agreement or as the result of a court decree.

(f) The assignment of property or interest in property from one spouse or one domestic partner to the other spouse or other domestic partner in accordance with the terms of a decree of dissolution of marriage or state registered domestic partnership or in fulfillment of a property settlement agreement.

(g) The assignment or other transfer of a vendor's interest in a contract for the sale of real property, even though accompanied by a conveyance of the vendor's interest in the real property involved.

(h) Transfers by appropriation or decree in condemnation proceedings brought by the United States, the state or any political subdivision thereof, or a municipal corporation.

(i) A mortgage or other transfer of an interest in real property merely to secure a debt, or the assignment thereof.

(j) Any transfer or conveyance made pursuant to a deed of trust or an order of sale by the court in any mortgage, deed of trust, or lien foreclosure proceeding

or upon execution of a judgment, or deed in lieu of foreclosure to satisfy a mortgage or deed of trust.

(k) A conveyance to the federal housing administration or veterans administration by an authorized mortgagee made pursuant to a contract of insurance or guaranty with the federal housing administration or veterans administration.

(l) A transfer in compliance with the terms of any lease or contract upon which the tax as imposed by this chapter has been paid or where the lease or contract was entered into prior to the date this tax was first imposed.

(m) The sale of any grave or lot in an established cemetery.

(n) A sale by the United States, this state or any political subdivision thereof, or a municipal corporation of this state.

(o) A sale to a regional transit authority or public corporation under RCW 81.112.320 under a sale/leaseback agreement under RCW 81.112.300.

(p) A transfer of real property, however effected, if it consists of a mere change in identity or form of ownership of an entity where there is no change in the beneficial ownership. These include transfers to a corporation or partnership which is wholly owned by the transferor and/or the transferor's spouse or domestic partner or children of the transferor or the transferor's spouse or domestic partner. However, if thereafter such transferee corporation or partnership voluntarily transfers such real property, or such transferor, spouse or domestic partner, or children of the transferor or the transferor's spouse or domestic partner voluntarily transfer stock in the transferee corporation or interest in the transferee partnership capital, as the case may be, to other than (i) the transferor and/or the transferor's spouse or domestic partner or children of the transferor or the transferor's spouse or domestic partner, (ii) a trust having the transferor and/or the transferor's spouse or domestic partner or children of the transferor or the transferor's spouse or domestic partner as the only beneficiaries at the time of the transfer to the trust, or (iii) a corporation or partnership wholly owned by the original transferor and/or the transferor's spouse or domestic partner or children of the transferor or the transferor's spouse or domestic partner, within three years of the original transfer to which this exemption applies, and the tax on the subsequent transfer has not been paid within sixty days of becoming due, excise taxes become due and payable on the original transfer as otherwise provided by law.

(q)(i) A transfer that for federal income tax purposes does not involve the recognition of gain or loss for entity formation, liquidation or dissolution, and reorganization, including but not limited to nonrecognition of gain or loss because of application of 26 U.S.C. Sec. 332, 337, 351, 368(a)(1), 721, or 731 of the internal revenue code of 1986, as amended.

(ii) However, the transfer described in (q)(i) of this subsection cannot be preceded or followed within a twelve-month period by another transfer or series of transfers, that, when combined with the otherwise exempt transfer or transfers described in (q)(i) of this subsection, results in the transfer of a controlling interest in the entity for valuable consideration, and in which one or more persons previously holding a controlling interest in the entity receive cash or property in exchange for any interest the person or persons acting in concert hold in the entity. This subsection (3)(q)(ii) does not apply to that part of the transfer involving property received that is the real property interest that the person or

persons originally contributed to the entity or when one or more persons who did not contribute real property or belong to the entity at a time when real property was purchased receive cash or personal property in exchange for that person or persons' interest in the entity. The real estate excise tax under this subsection (3)(q)(ii) is imposed upon the person or persons who previously held a controlling interest in the entity.

(r) A qualified sale of a manufactured/mobile home community, as defined in RCW 59.20.030, that takes place on or after June 12, 2008, but before December 31, 2018.

(s)(i) A qualified transfer of residential property by a legal representative of a person with developmental disabilities to a qualified entity subject to the following conditions:

(A) The adult child with developmental disabilities of the transferor of the residential property must be allowed to reside in the residence or successor property so long as the placement is safe and appropriate as determined by the department of social and health services;

(B) The title to the residential property is conveyed without the receipt of consideration by the legal representative of a person with developmental disabilities to a qualified entity;

(C) The residential property must have no more than four living units located on it; and

(D) The residential property transferred must remain in continued use for fifty years by the qualified entity as supported living for persons with developmental disabilities by the qualified entity or successor entity. If the qualified entity sells or otherwise conveys ownership of the residential property the proceeds of the sale or conveyance must be used to acquire similar residential property and such similar residential property must be considered the successor for continued use. The property will not be considered in continued use if the department of social and health services finds that the property has failed, after a reasonable time to remedy, to meet any health and safety statutory or regulatory requirements. If the department of social and health services determines that the property fails to meet the requirements for continued use, the department of social and health services must notify the department and the real estate excise tax based on the value of the property at the time of the transfer into use as residential property for persons with developmental disabilities becomes immediately due and payable by the qualified entity. The tax due is not subject to penalties, fees, or interest under this title.

(ii) For the purposes of this subsection (3)(s) the definitions in RCW 71A.10.020 apply.

(iii) A "qualified entity" is:

(A) A nonprofit organization under Title 26 U.S.C. Sec. 501(c)(3) of the federal internal revenue code of 1986, as amended, as of the effective date of this section, or a subsidiary under the same taxpayer identification number that provides residential supported living for persons with developmental disabilities; or

(B) A nonprofit adult family home, as defined in RCW 70.128.010, that exclusively serves persons with developmental disabilities.

(iv) In order to receive an exemption under this subsection (3)(s) an affidavit must be submitted by the transferor of the residential property and must

include a copy of the transfer agreement and any other documentation as required by the department.

Sec. 4. RCW 43.185.050 and 2017 3rd sp.s. c 12 s 13 are each amended to read as follows:

(1) The department must use moneys from the housing trust fund and other legislative appropriations to finance in whole or in part any loans or grant projects that will provide housing for persons and families with special housing needs and with incomes at or below fifty percent of the median family income for the county or standard metropolitan statistical area where the project is located. At least thirty percent of these moneys used in any given funding cycle (~~shall~~) **must** be for the benefit of projects located in rural areas of the state as defined by the department. If the department determines that it has not received an adequate number of suitable applications for rural projects during any given funding cycle, the department may allocate unused moneys for projects in nonrural areas of the state.

(2) Activities eligible for assistance from the housing trust fund and other legislative appropriations include, but are not limited to:

(a) New construction, rehabilitation, or acquisition of low and very low-income housing units;

(b) Rent subsidies;

(c) Matching funds for social services directly related to providing housing for special-need tenants in assisted projects;

(d) Technical assistance, design and finance services and consultation, and administrative costs for eligible nonprofit community or neighborhood-based organizations;

(e) Administrative costs for housing assistance groups or organizations when such grant or loan will substantially increase the recipient's access to housing funds other than those available under this chapter;

(f) Shelters and related services for the homeless, including emergency shelters and overnight youth shelters;

(g) Mortgage subsidies, including temporary rental and mortgage payment subsidies to prevent homelessness;

(h) Mortgage insurance guarantee or payments for eligible projects;

(i) Down payment or closing cost assistance for eligible first-time home buyers;

(j) Acquisition of housing units for the purpose of preservation as low-income or very low-income housing; (~~and~~)

(k) Projects making housing more accessible to families with members who have disabilities; and

(l) Remodeling and improvements as required to meet building code, licensing requirements, or legal operations to residential properties owned and operated by an entity eligible under RCW 43.185A.040, which were transferred as described in RCW 82.45.010(3)(s) by the parent of a child with developmental disabilities.

(3) Preference (~~shall~~) **must** be given for projects that include an early learning facility.

(4) Legislative appropriations from capital bond proceeds may be used only for the costs of projects authorized under subsection (2)(a), (i), and (j) of this section, and not for the administrative costs of the department.

(5) Moneys from repayment of loans from appropriations from capital bond proceeds may be used for all activities necessary for the proper functioning of the housing assistance program except for activities authorized under subsection (2)(b) and (c) of this section.

(6) Administrative costs associated with application, distribution, and project development activities of the department may not exceed three percent of the annual funds available for the housing assistance program. Reappropriations must not be included in the calculation of the annual funds available for determining the administrative costs.

(7) Administrative costs associated with compliance and monitoring activities of the department may not exceed one-quarter of one percent annually of the contracted amount of state investment in the housing assistance program.

Passed by the House March 8, 2018.

Passed by the Senate March 7, 2018.

Approved by the Governor March 22, 2018.

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CHAPTER 224

[House Bill 2468]

BRITISH COLUMBIA ACCOUNTANTS--ATTEST AND COMPILATION SERVICES

AN ACT Relating to allowing firms in the Canadian province of British Columbia to perform attest or compilation services for companies in Washington state that are the consolidated, subsidiary, or component entity of another corporate entity registered in Canada; amending RCW 18.04.350, 18.04.183, 18.04.195, 18.04.215, and 18.04.345; creating a new section; and providing an expiration date.

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

NEW SECTION. Sec. 1. The legislature finds the current restrictions that prohibit accounting firms in the Canadian province of British Columbia from providing attest or compilation services to wholly or majority-owned subsidiaries of British Columbia companies residing in and registered in Washington to be an unnecessary constraint. There are a number of such entities in Washington that require specific financial services and reports for issuance solely in Canada but are unable to utilize the services of British Columbia accounting firms, thus resulting in high audit costs. The legislature intends to allow British Columbia accounting firms to provide specific engagements for these subsidiaries residing in Washington.

Sec. 2. RCW 18.04.350 and 2016 c 127 s 7 are each amended to read as follows:

(1) Nothing in this chapter prohibits any individual not holding a license and not qualified for the practice privileges authorized by subsection (2) of this section from serving as an employee of a firm licensed under RCW 18.04.195 and 18.04.215. However, the employee shall not issue any report as defined in this chapter, on the information of any other persons, firms, or governmental units over his or her name.

(2) An individual whose principal place of business is not in this state shall be presumed to have qualifications substantially equivalent to this state's

requirements and shall have all the privileges of licensees of this state without the need to obtain a license under RCW 18.04.105 if the individual:

(a) Holds a valid license as a certified public accountant from any state that requires, as a condition of licensure, that an individual:

(i) Have at least one hundred fifty semester hours of college or university education including a baccalaureate or higher degree conferred by a college or university;

(ii) Achieve a passing grade on the uniform certified public accountant examination; and

(iii) Possess at least one year of experience including service or advice involving the use of accounting, attest, compilation, management advisory, financial advisory, tax, or consulting skills, all of which was verified by a licensee; or

(b) Holds a valid license as a certified public accountant from any state that does not meet the requirements of (a) of this subsection, but such individual's qualifications are substantially equivalent to those requirements. Any individual who passed the uniform certified public accountant examination and holds a valid license issued by any other state prior to January 1, 2012, may be exempt from the education requirements in (a)(i) of this subsection for purposes of this section.

(3) Notwithstanding any other provision of law, an individual who qualifies for the practice privilege under subsection (2) of this section may offer or render professional services, whether in person or by mail, telephone, or electronic means, and no notice, fee, or other submission shall be provided by any such individual. Such an individual shall be subject to the requirements of subsection (4) of this section.

(4) Any individual licensee of another state exercising the privilege afforded under subsection (2) of this section and the firm that employs that licensee simultaneously consent, as a condition of exercising this privilege:

(a) To the personal and subject matter jurisdiction and disciplinary authority of the board;

(b) To comply with this chapter and the board's rules;

(c) That in the event the license from the state of the individual's principal place of business is no longer valid, the individual will cease offering or rendering professional services in this state individually and on behalf of a firm; and

(d) To the appointment of the state board which issued the certificate or license as their agent upon whom process may be served in any action or proceeding by this state's board against the certificate holder or licensee.

(5) An individual who qualifies for practice privileges under subsection (2) of this section who performs any attest service described in RCW 18.04.025(1) may only do so through a firm which has obtained a license under RCW 18.04.195 and 18.04.215 or which meets the requirements for an exception from the firm licensure requirements under RCW 18.04.195(1) (a)(iii) or (b).

(6) A licensee of this state offering or rendering services or using their CPA title in another state shall be subject to disciplinary action in this state for an act committed in another state for which the licensee would be subject to discipline for an act committed in the other state. Notwithstanding RCW 18.04.295 and

this section, the board shall cooperate with and investigate any complaint made by the board of accountancy of another state or jurisdiction.

(7) Nothing in this chapter prohibits a licensee, a licensed firm, any of their employees, or persons qualifying for practice privileges by this section from disclosing any data in confidence to other certified public accountants, quality assurance or peer review teams, partnerships, limited liability companies, or corporations of certified public accountants or to the board or any of its employees engaged in conducting quality assurance or peer reviews, or any one of their employees in connection with quality or peer reviews of that accountant's accounting and auditing practice conducted under the auspices of recognized professional associations.

(8) Nothing in this chapter prohibits a licensee, a licensed firm, any of their employees, or persons qualifying for practice privileges by this section from disclosing any data in confidence to any employee, representative, officer, or committee member of a recognized professional association, or to the board, or any of its employees or committees in connection with a professional investigation held under the auspices of recognized professional associations or the board.

(9) Nothing in this chapter prohibits any officer, employee, partner, or principal of any organization:

(a) From affixing his or her signature to any statement or report in reference to the affairs of the organization with any wording designating the position, title, or office which he or she holds in the organization; or

(b) From describing himself or herself by the position, title, or office he or she holds in such organization.

(10) Nothing in this chapter prohibits any person or firm composed of persons not holding a license under this chapter from offering or rendering to the public bookkeeping, accounting, tax services, the devising and installing of financial information systems, management advisory, or consulting services, the preparation of tax returns, or the furnishing of advice on tax matters, or similar services, provided that persons, partnerships, limited liability companies, or corporations not holding a license who offer or render these services do not designate any written statement as a report as defined in RCW 18.04.025(21) or use any language in any statement relating to the financial affairs of a person or entity which is conventionally used by licensees in reports or any attest service as defined in this chapter.

(11) Nothing in this chapter prohibits any person or firm composed of persons not holding a license under this chapter from offering or rendering to the public the preparation of financial statements, or written statements describing how such financial statements were prepared, provided that persons, partnerships, limited liability companies, or corporations not holding a license who offer or render these services do not designate any written statement as a report as defined in RCW 18.04.025(21), do not issue any written statement that purports to express or disclaim an opinion on financial statements that have been audited, and do not issue any written statement that expresses assurance on financial statements that have been reviewed. The board may prescribe, by rule, language for the written statement describing how such financial statements were prepared for use by persons not holding a license under this chapter.

(12) Nothing in this chapter prohibits any act of or the use of any words by a public official or a public employee in the performance of his or her duties.

(13) Nothing contained in this chapter prohibits any person who holds only a valid certificate from assuming or using the designation "certified public accountant-inactive" or "CPA-inactive" or any other title, designation, words, letters, sign, card, or device tending to indicate the person is a certificate holder, provided, that such person does not perform or offer to perform for the public one or more kinds of services involving the use of accounting or auditing skills, including issuance of reports or of one or more kinds of management advisory, financial advisory, consulting services, the preparation of tax returns, or the furnishing of advice on tax matters.

(14) Nothing in this chapter prohibits the use of the title "accountant" by any person regardless of whether the person has been granted a certificate or holds a license under this chapter. Nothing in this chapter prohibits the use of the title "enrolled agent" or the designation "EA" by any person regardless of whether the person has been granted a certificate or holds a license under this chapter if the person is properly authorized at the time of use to use the title or designation by the United States department of the treasury. The board shall by rule allow the use of other titles by any person regardless of whether the person has been granted a certificate or holds a license under this chapter if the person using the titles or designations is authorized at the time of use by a nationally recognized entity sanctioning the use of board authorized titles.

(15) Nothing in this chapter prohibits any firm holding a license or registration as a chartered professional accounting firm in the Canadian province of British Columbia from performing any of the following services: (a) An attest or compilation engagement of a business entity operating in Washington state that is the consolidated, subsidiary, or component entity of another entity that is operating in Canada who acts as the issuer of the report; or (b) a standalone attest or compilation engagement of a wholly or majority-owned subsidiary and or component of an entity that is operating in Canada.

Sec. 3. RCW 18.04.183 and 2001 c 294 s 9 are each amended to read as follows:

(1) The board shall grant a license as a certified public accountant to a holder of a permit, license, or certificate issued by a foreign country's board, agency, or institute, provided that:

~~((+))~~ (a) The foreign country where the foreign permit, license, or certificate was issued is a party to an agreement on trade with the United States that encourages the mutual recognition of licensing and certification requirements for the provision of covered services by the parties under the trade agreement;

~~((2))~~ (b) Such foreign country's board, agency, or institute makes similar provision to allow a person who holds a valid license issued by this state to obtain such foreign country's comparable permit, license, or certificate;

~~((3))~~ (c) The foreign permit, license, or certificate:

~~((+))~~ (i) Was duly issued by such foreign country's board, agency, or institute that regulates the practice of public accountancy; and

~~((b))~~ (ii) Is in good standing at the time of the application; and

~~((e))~~ (iii) Was issued upon the basis of educational, examination, experience, and ethical requirements substantially equivalent currently or at the time of issuance of the foreign permit, license, or certificate to those in this state;

~~((4))~~ (d) The applicant has within the thirty-six months prior to application completed an accumulation of one hundred twenty hours of CPE as required under RCW 18.04.215(5). The board shall provide for transition from existing to new CPE requirements;

~~((5))~~ (e) The applicant's foreign permit, license, or certificate was the type of permit, license, or certificate requiring the most stringent qualifications if, in the foreign country, more than one type of permit, license, or certificate is issued. This state's board shall decide which are the most stringent qualifications;

~~((6))~~ (f) The applicant has passed a written examination or its equivalent, approved by the board, that tests knowledge in the areas of United States accounting principles, auditing standards, commercial law, income tax law, and Washington state rules of professional ethics; and

~~((7))~~ (g) The applicant has within the eight years prior to applying for a license under this section, demonstrated, in accordance with the rules issued by the board, one year of public accounting experience, within the foreign country where the foreign permit, license, or certificate was issued, equivalent to the experience required under RCW 18.04.105(1)(d) or such other experience or employment which the board in its discretion regards as substantially equivalent.

(2) The board may adopt by rule new CPE standards that differ from those in subsection ~~((4))~~ (1)(d) of this section or RCW 18.04.215 if the new standards are consistent with the CPE standards of other states so as to provide to the greatest extent possible, consistent national standards.

(3) A licensee who has been granted a license under the reciprocity provisions of this section shall notify the board within thirty days if the permit, license, or certificate issued in the other jurisdiction has lapsed or if the status of the permit, license, or certificate issued in the other jurisdiction becomes otherwise invalid.

(4) A chartered professional accountant licensed in the Canadian province of British Columbia who is an employee or owner of a chartered professional accounting firm also registered in the Canadian province of British Columbia is not required to obtain a license as a certified public accountant in Washington state, provided they are adhering to the provisions of RCW 18.04.350(15) in providing attest or compilation services to business entities covered under RCW 18.04.350(15).

Sec. 4. RCW 18.04.195 and 2016 c 127 s 4 are each amended to read as follows:

(1) The board shall grant or renew licenses to practice as a CPA firm to applicants that demonstrate their qualifications therefore in accordance with this section.

(a) The following must hold a license issued under this section:

(i) Any firm with an office in this state performing attest services as defined in RCW 18.04.025(1) or compilations as defined in RCW 18.04.025(6);

(ii) Any firm with an office in this state that uses the title "CPA" or "CPA firm"; or

(iii) Any firm that does not have an office in this state but offers or renders attest services described in RCW 18.04.025 in this state, unless it meets each of the following requirements:

(A) Complies with the qualifications described in subsection (3)(c), (4)(a), or (5)(c) of this section;

(B) Meets the board's quality assurance review program requirements authorized by RCW 18.04.055(9) and the rules implementing such section;

(C) Performs such services through an individual with practice privileges under RCW 18.04.350(2); and

(D) Can lawfully do so in the state where said individuals with practice privileges have their principal place of business.

(b) A chartered professional accounting firm registered in the Canadian province of British Columbia may provide compilation or attest services in accordance with RCW 18.04.350(15) without obtaining a Washington state CPA firm license.

(c) A firm that is not subject to the requirements of subsection (1)(a) of this section may perform compilation services described in RCW 18.04.025(6) and other nonattest professional services while using the title "CPA" or "CPA firm" in this state without a license issued under this section only if:

(i) The firm performs such services through an individual with practice privileges under RCW 18.04.350(2); and

(ii) The firm can lawfully do so in the state where said individuals with practice privileges have their principal place of business.

(2) A sole proprietorship required to obtain a license under subsection (1) of this section shall license, as a firm, every three years with the board.

(a) The sole proprietor shall hold and renew a license to practice under RCW 18.04.105 and 18.04.215, or, in the case of a sole proprietorship that must obtain a license pursuant to subsection (1)(a)(iii) of this section, be a licensee of another state who meets the requirements in RCW 18.04.350(2);

(b) Each resident individual in charge of an office located in this state shall hold and renew a license to practice under RCW 18.04.105 and 18.04.215; and

(c) The licensed firm must meet requirements established by rule by the board.

(3) A partnership required to obtain a license under subsection (1) of this section shall license as a firm every three years with the board, and shall meet the following requirements:

(a) At least one general partner of the partnership shall hold and renew a license to practice under RCW 18.04.105 and 18.04.215, or, in the case of a partnership that must obtain a license pursuant to subsection (1)(a)(iii) of this section, be a licensee of another state who meets the requirements in RCW 18.04.350(2);

(b) Each resident individual in charge of an office in this state shall hold and renew a license to practice under RCW 18.04.105 and 18.04.215;

(c) At least a simple majority of the ownership of the licensed firm in terms of financial interests and voting rights of all partners or owners shall be held by persons who are licensees or holders of a valid license issued under this chapter or by another state. The principal partner of the partnership and any partner having authority over issuing reports shall hold a license under this chapter or issued by another state; and

(d) The licensed firm must meet requirements established by rule by the board.

(4) A corporation required to obtain a license under subsection (1) of this section shall license as a firm every three years with the board and shall meet the following requirements:

(a) At least a simple majority of the ownership of the licensed firm in terms of financial interests and voting rights of all shareholders or owners shall be held by persons who are licensees or holders of a valid license issued under this chapter or by another state and is principally employed by the corporation or actively engaged in its business. The principal officer of the corporation and any officer or director having authority over issuing reports shall hold a license under this chapter or issued by another state;

(b) At least one shareholder of the corporation shall hold a license under RCW 18.04.105 and 18.04.215, or, in the case of a corporation that must obtain a license pursuant to subsection (1)(a)(iii) of this section, be a licensee of another state who meets the requirements in RCW 18.04.350(2);

(c) Each resident individual in charge of an office located in this state shall hold and renew a license under RCW 18.04.105 and 18.04.215;

(d) A written agreement shall bind the corporation or its shareholders to purchase any shares offered for sale by, or not under the ownership or effective control of, a qualified shareholder, and bind any holder not a qualified shareholder to sell the shares to the corporation or its qualified shareholders. The agreement shall be noted on each certificate of corporate stock. The corporation may purchase any amount of its stock for this purpose, notwithstanding any impairment of capital, as long as one share remains outstanding;

(e) The corporation shall comply with any other rules pertaining to corporations practicing public accounting in this state as the board may prescribe; and

(f) The licensed firm must meet requirements established by rule by the board.

(5) A limited liability company required to obtain a license under subsection (1) of this section shall license as a firm every three years with the board, and shall meet the following requirements:

(a) At least one member of the limited liability company shall hold a license under RCW 18.04.105 and 18.04.215, or, in the case of a limited liability company that must obtain a license pursuant to subsection (1)(a)(iii) of this section, be a licensee of another state who meets the requirements in RCW 18.04.350(2);

(b) Each resident manager or member in charge of an office located in this state shall hold and renew a license under RCW 18.04.105 and 18.04.215;

(c) At least a simple majority of the ownership of the licensed firm in terms of financial interests and voting rights of all owners shall be held by persons who are licensees or holders of a valid license issued under this chapter or by another state. The principal member or manager of the limited liability company and any member having authority over issuing reports shall hold a license under this chapter or issued by another state; and

(d) The licensed firm must meet requirements established by rule by the board.

(6) Application for a license as a firm with an office in this state shall be made upon the affidavit of the proprietor or individual designated as managing partner, member, or shareholder for Washington. This individual shall hold a license under RCW 18.04.215.

(7) In the case of a firm licensed in another state and required to obtain a license under subsection (1)(a)(iii) of this section, the application for the firm license shall be made upon the affidavit of an individual who qualifies for practice privileges in this state under RCW 18.04.350(2) who has been authorized by the applicant firm to make the application. The board shall determine in each case whether the applicant is eligible for a license.

(8) The board shall be given notification within ninety days after the admission or withdrawal of a partner, shareholder, or member engaged in this state in the practice of public accounting from any partnership, corporation, or limited liability company so licensed.

(9) Licensed firms that fall out of compliance with the provisions of this section due to changes in firm ownership, after receiving or renewing a license, shall notify the board in writing within ninety days of its falling out of compliance and propose a time period in which they will come back into compliance. The board may grant a reasonable period of time for a firm to be in compliance with the provisions of this section. Failure to bring the firm into compliance within a reasonable period of time, as determined by the board, may result in suspension, revocation, or imposition of conditions on the firm's license.

(10) Fees for the license as a firm and for notification of the board of the admission or withdrawal of a partner, shareholder, or member shall be determined by the board. Fees shall be paid by the firm at the time the license application form or notice of admission or withdrawal of a partner, shareholder, or member is filed with the board.

(11) Nonlicensee owners of licensed firms are:

(a) Required to fully comply with the provisions of this chapter and board rules;

(b) Required to be an individual;

(c) Required to be of good character, as defined in RCW 18.04.105(1)(a), and an active individual participant in the licensed firm or affiliated entities as these terms are defined by board rule; and

(d) Subject to discipline by the board for violation of this chapter.

(12) Resident nonlicensee owners of licensed firms are required to meet:

(a) The ethics examination, registration, and fee requirements as established by the board rules; and

(b) The ethics CPE requirements established by the board rules.

(13)(a) Licensed firms must notify the board within thirty days after:

(i) Sanction, suspension, revocation, or modification of their professional license or practice rights by the securities exchange commission, internal revenue service, or another state board of accountancy;

(ii) Sanction or order against the licensee or nonlicensee firm owner by any federal or other state agency related to the licensee's practice of public accounting or violation of ethical or technical standards established by board rule; or

(iii) The licensed firm is notified that it has been charged with a violation of law that could result in the suspension or revocation of the firm's license by a federal or other state agency, as identified by board rule, related to the firm's professional license, practice rights, or violation of ethical or technical standards established by board rule.

(b) The board must adopt rules to implement this subsection and may also adopt rules specifying requirements for licensees to report to the board sanctions or orders relating to the licensee's practice of public accounting or violation of ethical or technical standards entered against the licensee by a nongovernmental professionally related standard-setting entity.

Sec. 5. RCW 18.04.215 and 2003 c 290 s 2 are each amended to read as follows:

(1) Three-year licenses shall be issued by the board:

(a) To persons meeting the requirements of RCW 18.04.105(1), 18.04.180, or 18.04.183.

(b) To certificate holders meeting the requirements of RCW 18.04.105(4).

(c) To firms under RCW 18.04.195, meeting the requirements of RCW 18.04.205.

(2) The board shall, by rule, provide for a system of certificate and license renewal and reinstatement. Applicants for renewal or reinstatement shall, at the time of filing their applications, list with the board all states and foreign jurisdictions in which they hold or have applied for certificates, permits or licenses to practice.

(3) An inactive certificate is renewed every three years with renewal subject to the requirements of ethics CPE and the payment of fees, prescribed by the board. Failure to renew the inactive certificate shall cause the inactive certificate to lapse and be subject to reinstatement. The board shall adopt rules providing for fees and procedures for renewal and reinstatement of inactive certificates.

(4) A license is issued every three years with renewal subject to requirements of CPE and payment of fees, prescribed by the board. Failure to renew the license shall cause the license to lapse and become subject to reinstatement. Persons holding a lapsed license are prohibited from using the title "CPA" or "certified public accountant." Persons holding a lapsed license are prohibited from practicing public accountancy. The board shall adopt rules providing for fees and procedures for issuance, renewal, and reinstatement of licenses.

(5) The board shall adopt rules providing for CPE for licensees and certificate holders. The rules shall:

(a) Provide that a licensee shall verify to the board that he or she has completed at least an accumulation of one hundred twenty hours of CPE during the last three-year period to maintain the license;

(b) Establish CPE requirements; and

(c) Establish when new licensees shall verify that they have completed the required CPE.

(6) A certified public accountant who holds a license issued by another state, and applies for a license in this state, may practice in this state from the date of filing a completed application with the board, until the board has acted upon the application provided the application is made prior to holding out as a certified public accountant in this state and no sanctions or investigations,

deemed by the board to be pertinent to public accountancy, by other jurisdictions or agencies are in process.

(7) A licensee shall submit to the board satisfactory proof of having completed an accumulation of one hundred twenty hours of CPE recognized and approved by the board during the preceding three years. Failure to furnish this evidence as required shall make the license lapse and subject to reinstatement procedures, unless the board determines the failure to have been due to retirement or reasonable cause.

The board in its discretion may renew a certificate or license despite failure to furnish evidence of compliance with requirements of CPE upon condition that the applicant follow a particular program of CPE. In issuing rules and individual orders with respect to CPE requirements, the board, among other considerations, may rely upon guidelines and pronouncements of recognized educational and professional associations, may prescribe course content, duration, and organization, and may take into account the accessibility of CPE to licensees and certificate holders and instances of individual hardship.

(8) Fees for renewal or reinstatement of certificates and licenses in this state shall be determined by the board under this chapter. Fees shall be paid by the applicant at the time the application form is filed with the board. The board, by rule, may provide for proration of fees for licenses or certificates issued between normal renewal dates.

(9)(a) Licensees, certificate holders, and nonlicensee owners must notify the board within thirty days after:

(i) Sanction, suspension, revocation, or modification of their professional license or practice rights by the securities exchange commission, internal revenue service, or another state board of accountancy;

(ii) Sanction or order against the licensee, certificate holder, or nonlicensee owner by any federal or other state agency related to the licensee's practice of public accounting or the licensee's, certificate holder's, or nonlicensee owner's violation of ethical or technical standards established by board rule; or

(iii) The licensee, certificate holder, or nonlicensee owner is notified that he or she has been charged with a violation of law that could result in the suspension or revocation of a license or certificate by a federal or other state agency, as identified by board rule, related to the licensee's, certificate holder's, or nonlicensee owner's professional license, practice rights, or violation of ethical or technical standards established by board rule.

(b) The board must adopt rules to implement this subsection and may also adopt rules specifying requirements for licensees, certificate holders, and nonlicensee owners to report to the board sanctions or orders relating to the licensee's practice of public accounting or the licensee's, certificate holder's, or nonlicensee owner's violation of ethical or technical standards entered against the licensee, certificate holder, or nonlicensee owner by a nongovernmental professionally related standard-setting entity.

(10) A chartered professional accounting firm registered in the Canadian province of British Columbia and its owners and employees that provide compilation or attest services in accordance with RCW 18.04.350(15) are not required to obtain a CPA firm license or individual CPA licenses and will not be subject to license fees.

Sec. 6. RCW 18.04.345 and 2016 c 127 s 5 are each amended to read as follows:

(1) Except when performing services as an employee or owner of a firm operating in accordance with RCW 18.04.350(15), no individual may assume or use the designation "certified public accountant-inactive" or "CPA-inactive" or any other title, designation, words, letters, abbreviation, sign, card, or device tending to indicate that the individual is a certified public accountant-inactive or CPA-inactive unless the individual holds a certificate. Individuals holding only a certificate may not practice public accounting.

(2) No individual may hold himself or herself out to the public or assume or use the designation "certified public accountant" or "CPA" or any other title, designation, words, letters, abbreviation, sign, card, or device tending to indicate that the individual is a certified public accountant or CPA unless the individual qualifies for the privileges authorized by RCW 18.04.350(2) or holds a license under RCW 18.04.105 and 18.04.215, or is providing compilation or attest services as an employee or owner of a firm operating in accordance with RCW 18.04.350(15).

(3) No firm with an office in this state may perform or offer to perform attest services as defined in RCW 18.04.025(1) or compilation services as defined in RCW 18.04.025(6) or assume or use the designation "certified public accountant" or "CPA" or any other title, designation, words, letters, abbreviation, sign, card, or device tending to indicate that the firm is composed of certified public accountants or CPAs, unless the firm is licensed under RCW 18.04.195 and all offices of the firm in this state are maintained and registered under RCW 18.04.205. This subsection does not limit the services permitted under RCW 18.04.350(10) by persons not required to be licensed under this chapter, nor does it prohibit compilation or attest services performed in accordance with RCW 18.04.350(15).

(4) No firm may perform the services defined in RCW 18.04.025(1) in this state unless the firm is licensed under RCW 18.04.195, renews the firm license as required under RCW 18.04.215, and all offices of the firm in this state are maintained and registered under RCW 18.04.205. This subsection does not prohibit services performed in accordance with RCW 18.04.350(15).

(5) Except when performing services as an employee or owner of a firm operating in accordance with RCW 18.04.350(15), no individual, partnership, limited liability company, or corporation offering public accounting services to the public may hold himself, herself, or itself out to the public, or assume or use along, or in connection with his, hers, or its name, or any other name the title or designation "certified accountant," "chartered accountant," "licensed accountant," "licensed public accountant," "public accountant," or any other title or designation likely to be confused with "certified public accountant" or any of the abbreviations "CA," "LA," "LPA," or "PA," or similar abbreviations likely to be confused with "CPA."

(6) No licensed firm may operate under an alias, a firm name, title, or "DBA" that differs from the firm name that is registered with the board.

(7) Except when performing services as an employee or owner of a firm operating in accordance with RCW 18.04.350(15), no individual with an office in this state may sign, affix, or associate his or her name or any trade or assumed name used by the individual in his or her business to any report prescribed by

professional standards unless the individual holds a license to practice under RCW 18.04.105 and 18.04.215, a firm holds a license under RCW 18.04.195, and all of the individual's offices in this state are registered under RCW 18.04.205.

(8) No individual licensed in another state may sign, affix, or associate a firm name to any report prescribed by professional standards, or associate a firm name in conjunction with the title certified public accountant, unless the individual:

(a) Qualifies for the practice privileges authorized by RCW 18.04.350(2); ~~((or))~~

(b) Is licensed under RCW 18.04.105 and 18.04.215, and all of the individual's offices in this state are maintained and registered under RCW 18.04.205; or

(c) Is performing services as an employee or owner of a firm in accordance with the provisions of RCW 18.04.350(15).

(9) No individual, partnership, limited liability company, or corporation not holding a license to practice under RCW 18.04.105 and 18.04.215, or firm not licensed under RCW 18.04.195 or firm not registering all of the firm's offices in this state under RCW 18.04.205, or not qualified for the practice privileges authorized by RCW 18.04.350(2), or not operating in accordance with the provisions of RCW 18.04.350(15), may hold himself, herself, or itself out to the public as an "auditor" with or without any other description or designation by use of such word on any sign, card, letterhead, or in any advertisement or directory.

(10) For purposes of this section, because individuals practicing using practice privileges under RCW 18.04.350(2) are deemed substantially equivalent to licensees under RCW 18.04.105 and 18.04.215, every word, term, or reference that includes the latter shall be deemed to include the former, provided the conditions of such practice privilege, as set forth in RCW 18.04.350 (4) and (5) are maintained.

(11) Notwithstanding anything to the contrary in this section, it is not a violation of this section for a firm that does not hold a valid license under RCW 18.04.195 and that does not have an office in this state to use the title "CPA" or "certified public accountant" as part of the firm's name and to provide its professional services in this state, and licensees and individuals with practice privileges may provide services on behalf of such firms so long as it complies with the requirements of RCW 18.04.195(1). An individual or firm authorized under this subsection to use practice privileges in this state must comply with the requirements otherwise applicable to licensees in this section.

NEW SECTION. Sec. 7. The amendments contained in sections 2 through 6 of this act expire June 30, 2023.

Passed by the House February 1, 2018.

Passed by the Senate March 2, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 225

[Substitute House Bill 2515]

MEDICAID PAYMENT METHODOLOGY--ASSISTED LIVING FACILITIES

AN ACT Relating to updating the medicaid payment methodology for contracted assisted living, adult residential care, and enhanced adult residential care; amending RCW 74.39A.030; adding a new section to chapter 74.39A RCW; and creating new sections.

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

NEW SECTION. Sec. 1. (1) The legislature recognizes that Washington state has done an exemplary service for its citizens by expanding long-term care options for home and community-based services. Thousands of vulnerable low-income adults and seniors that would otherwise be in nursing facilities are able to receive the care they need in their own home, an assisted living unit, or an adult family home located near their family and friends, religious groups or other affiliations, and the neighborhoods they are familiar with. The legislature also recognizes that within the next ten years, the number of Washingtonians age seventy-one and older will grow by approximately sixty-three percent and within the next twenty-three years, this population will be about one hundred twenty percent of what it is today. In order to maintain and grow the current level of cost-effective options for long-term care, it is critical to update state policies including provider payment rates to ensure the availability of enrolled providers is sufficient to serve the number of beneficiaries who wish to remain within geographic proximity to their home community.

(2) The legislature intends to replace the outdated payment system with a new methodology that is:

- (a) Transparent and understandable to the providers and the public;
- (b) Aligns payments to client acuity and contractual requirements; and
- (c) Is supported by relevant, verifiable, and independent data to the extent possible.

Sec. 2. RCW 74.39A.030 and 2012 c 10 s 66 are each amended to read as follows:

(1) To the extent of available funding, the department shall expand cost-effective options for home and community services for consumers for whom the state participates in the cost of their care.

(2) In expanding home and community services, the department shall: (a) Take full advantage of federal funding available under Title XVIII and Title XIX of the federal social security act, including home health, adult day care, waiver options, and state plan services; and (b) be authorized to use funds available under its community options program entry system waiver granted under section 1915(c) of the federal social security act to expand the availability of in-home, adult residential care, adult family homes, enhanced adult residential care, and assisted living services. By June 30, 1997, the department shall undertake to reduce the nursing home medicaid census by at least one thousand six hundred by assisting individuals who would otherwise require nursing facility services to obtain services of their choice, including assisted living services, enhanced adult residential care, and other home and community services. If a resident, or his or her legal representative, objects to a discharge decision initiated by the department, the resident shall not be discharged if the resident has been assessed and determined to require nursing facility services. In contracting with nursing

homes and assisted living facilities for enhanced adult residential care placements, the department shall not require, by contract or through other means, structural modifications to existing building construction.

(3)(a) The department shall by rule establish payment rates for home and community services that support the provision of cost-effective care. Beginning July 1, 2019, the department shall adopt a data-driven medicaid payment methodology as specified in section 3 of this act for contracted assisted living, adult residential care, and enhanced adult residential care. In the event of any conflict between any such rule and a collective bargaining agreement entered into under RCW 74.39A.270 and 74.39A.300, the collective bargaining agreement prevails.

(b) The department may authorize an enhanced adult residential care rate for nursing homes that temporarily or permanently convert their bed use for the purpose of providing enhanced adult residential care under chapter 70.38 RCW, when the department determines that payment of an enhanced rate is cost-effective and necessary to foster expansion of contracted enhanced adult residential care services. As an incentive for nursing homes to permanently convert a portion of its nursing home bed capacity for the purpose of providing enhanced adult residential care, the department may authorize a supplemental add-on to the enhanced adult residential care rate.

(c) The department may authorize a supplemental assisted living services rate for up to four years for facilities that convert from nursing home use and do not retain rights to the converted nursing home beds under chapter 70.38 RCW, if the department determines that payment of a supplemental rate is cost-effective and necessary to foster expansion of contracted assisted living services.

NEW SECTION. Sec. 3. A new section is added to chapter 74.39A RCW to read as follows:

(1) The department shall establish in rule a new medicaid payment system for contracted assisted living, adult residential care, and enhanced adult residential care. Beginning July 1, 2019, payments for these contracts must be based on the new methodology which must be phased-in to full implementation according to funding made available by the legislature for this purpose. The new payment system must have these components: Client care, operations, and room and board.

(2) Client care is the labor component of the system and must include variables to recognize the time and intensity of client care and services, staff wages, and associated fringe benefits. The wage variable in the client care component must be adjusted according to service areas based on labor costs.

(a) The time variable is used to weight the client care payment to client acuity and must be scaled according to the classification levels utilized in the department's assessment tool. The initial system shall establish a variable for time using the residential care time study conducted in 2001 and the department's corresponding estimate of the average staff hours per client by job position.

(b) The wage variable shall include recognition of staff positions needed to perform the functions required by contract, including nursing services. Data used to establish the wage variable must be adjusted so that no baseline wage is below the state minimum in effect at the time of implementation. The wage variable is a blended wage based on the federal bureau of labor statistics wage data and the

distribution of time according to staff position. Blended wages are established for each county and then counties are arrayed from highest to lowest. Service areas are established and the median blended wage in each service area becomes the wage variable for all the assigned counties in that service area. The system must have no less than two service areas, one of which shall be a high labor cost service area and shall include counties at or above the ninety-fifth percentile in the array of blended wages.

(c) The fringe benefit variable recognizes employee benefits and payroll taxes. The factor to calculate the percentage of fringe benefits shall be established using the statewide nursing facility cost ratio of benefits and payroll taxes to in-house wages.

(3) The operations component must recognize costs that are allowable under federal medicaid rules for the federal matching percentage. The operations component is calculated at ninety percent or greater of the statewide median nursing facility costs associated with the following:

- (a) Supplies;
- (b) Nonlabor administrative expenses;
- (c) Staff education and in-service training; and
- (d) Operational overhead including licenses, insurance, and business and occupational taxes.

(4) The room and board component recognizes costs that do not qualify for federal financial participation under medicaid rules by compensating providers for the medicaid client's share of raw food and shelter costs including expenses related to the physical plant such as property taxes, property and liability insurance, debt service, and major capital repairs. The room and board component is subject to the department's and the Washington state health care authority's rules related to client financial responsibility.

(5) Subsections (2) and (3) of this section establish the rate for medicaid covered services. Subsection (4) of this section establishes the rate for nonmedicaid covered services.

(6) The rates paid on July 1, 2019, shall be based on data from the 2016 calendar year, except for the time variable under subsection (2)(a) of this section. The client care and operations components must be rebased in even-numbered years. Beginning with rates paid on July 1, 2020, wages, benefits and taxes, and operations costs shall be rebased using 2018 data.

(7) Beginning July 1, 2020, the room and board component shall be updated annually subject to the department's and the Washington state health care authority's rules related to client financial responsibility.

NEW SECTION. Sec. 4. By October 30, 2018, the department of social and health services shall review physical plant contract requirements for each residential care setting and determine if adjustments to the room and board component are necessary in order to reflect the relative differences in costs related to shelter and food according to each setting. The department shall include in its review the average level of client resources available by populations served within each care setting and evaluate any impacts to the state general fund for lowering or raising the room and board standards according to each service setting's requirements.

Passed by the House February 14, 2018.

Passed by the Senate March 2, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 226

[Engrossed House Bill 2519]

CONCEALED PISTOL LICENSES--ELIGIBILITY

AN ACT Relating to concealed pistol license eligibility requirements; amending RCW 9.41.345; and reenacting and amending RCW 9.41.070.

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

Sec. 1. RCW 9.41.345 and 2015 c 130 s 2 are each amended to read as follows:

(1) Before a law enforcement agency returns a privately owned firearm, the law enforcement agency must:

(a) Confirm that the individual to whom the firearm will be returned is the individual from whom the firearm was obtained or an authorized representative of that person;

(b) Confirm that the individual to whom the firearm will be returned is eligible to possess a firearm pursuant to RCW 9.41.040;

(c) Ensure that the firearm is not otherwise required to be held in custody or otherwise prohibited from being released; and

(d) Ensure that twenty-four hours have elapsed from the time the firearm was obtained by law enforcement.

(2)(a) Once the requirements in subsections (1) and (3) of this section have been met, a law enforcement agency must release a firearm to the individual from whom it was obtained or an authorized representative of that person upon request without unnecessary delay.

(b)(i) If a firearm cannot be returned because it is required to be held in custody or is otherwise prohibited from being released, a law enforcement agency must provide written notice to the individual from whom it was obtained within five business days of the individual requesting return of his or her firearm and specify the reason the firearm must be held in custody.

(ii) Notification may be made via email, text message, mail service, or personal service. For methods other than personal service, service shall be considered complete once the notification is sent.

(3) If a family or household member has requested to be notified pursuant to RCW 9.41.340, a law enforcement agency must:

(a) Provide notice to the family or household member within one business day of verifying that the requirements in subsection (1) of this section have been met; and

(b) Hold the firearm in custody for seventy-two hours from the time notification has been provided.

(4)(a) A law enforcement agency may not return a concealed pistol license that has been surrendered to or impounded by the law enforcement agency for any reason to the licensee until the law enforcement agency determines the licensee is eligible to possess a firearm under state and federal law and meets the

other eligibility requirements for a concealed pistol license under RCW 9.41.070.

(b) A law enforcement agency must release a concealed pistol license to the licensee without unnecessary delay, and in no case longer than five business days, after the law enforcement agency determines the requirements of (a) of this subsection have been met.

(5) The provisions of chapter 130, Laws of 2015 and subsection (4) of this section shall not apply to circumstances where a law enforcement officer has momentarily obtained a firearm or concealed pistol license from an individual and would otherwise immediately return the firearm or concealed pistol license to the individual during the same interaction.

Sec. 2. RCW 9.41.070 and 2017 c 282 s 1 and 2017 C 174 s 1 are each reenacted and amended to read as follows:

(1) The chief of police of a municipality or the sheriff of a county shall within thirty days after the filing of an application of any person, issue a license to such person to carry a pistol concealed on his or her person within this state for five years from date of issue, for the purposes of protection or while engaged in business, sport, or while traveling. However, if the applicant does not have a valid permanent Washington driver's license or Washington state identification card or has not been a resident of the state for the previous consecutive ninety days, the issuing authority shall have up to sixty days after the filing of the application to issue a license. The issuing authority shall not refuse to accept completed applications for concealed pistol licenses during regular business hours.

The applicant's constitutional right to bear arms shall not be denied, unless:

(a) He or she is ineligible to possess a firearm under the provisions of RCW 9.41.040 or 9.41.045, or is prohibited from possessing a firearm under federal law;

(b) The applicant's concealed pistol license is in a revoked status;

(c) He or she is under twenty-one years of age;

(d) He or she is subject to a court order or injunction regarding firearms pursuant to chapters 7.90, 7.92, or 7.94 RCW, or RCW 9A.46.080, 10.14.080, 10.99.040, 10.99.045, 26.09.050, 26.09.060, 26.10.040, 26.10.115, 26.26.130, 26.50.060, 26.50.070, or 26.26.590;

(e) He or she is free on bond or personal recognizance pending trial, appeal, or sentencing for a felony offense;

(f) He or she has an outstanding warrant for his or her arrest from any court of competent jurisdiction for a felony or misdemeanor; or

(g) He or she has been ordered to forfeit a firearm under RCW 9.41.098(1)(e) within one year before filing an application to carry a pistol concealed on his or her person.

No person convicted of a felony may have his or her right to possess firearms restored or his or her privilege to carry a concealed pistol restored, unless the person has been granted relief from disabilities by the attorney general under 18 U.S.C. Sec. 925(c), or RCW 9.41.040 (3) or (4) applies.

(2)(a) The issuing authority shall conduct a check through the national instant criminal background check system, the Washington state patrol electronic database, the department of social and health services electronic database, and with other agencies or resources as appropriate, to determine whether the

applicant is ineligible under RCW 9.41.040 or 9.41.045 to possess a firearm, or is prohibited from possessing a firearm under federal law, and therefore ineligible for a concealed pistol license.

(b) The issuing authority shall deny a permit to anyone who is found to be prohibited from possessing a firearm under federal or state law.

(c) This subsection applies whether the applicant is applying for a new concealed pistol license or to renew a concealed pistol license.

(3) Any person whose firearms rights have been restricted and who has been granted relief from disabilities by the attorney general under 18 U.S.C. Sec. 925(c) or who is exempt under 18 U.S.C. Sec. 921(a)(20)(A) shall have his or her right to acquire, receive, transfer, ship, transport, carry, and possess firearms in accordance with Washington state law restored except as otherwise prohibited by this chapter.

(4) The license application shall bear the full name, residential address, telephone number at the option of the applicant, email address at the option of the applicant, date and place of birth, race, gender, description, a complete set of fingerprints, and signature of the licensee, and the licensee's driver's license number or state identification card number if used for identification in applying for the license. A signed application for a concealed pistol license shall constitute a waiver of confidentiality and written request that the department of social and health services, mental health institutions, and other health care facilities release information relevant to the applicant's eligibility for a concealed pistol license to an inquiring court or law enforcement agency.

The application for an original license shall include a complete set of fingerprints to be forwarded to the Washington state patrol.

The license and application shall contain a warning substantially as follows:

CAUTION: Although state and local laws do not differ, federal law and state law on the possession of firearms differ. If you are prohibited by federal law from possessing a firearm, you may be prosecuted in federal court. A state license is not a defense to a federal prosecution.

The license shall contain a description of the major differences between state and federal law and an explanation of the fact that local laws and ordinances on firearms are preempted by state law and must be consistent with state law.

The application shall contain questions about the applicant's eligibility under RCW 9.41.040 and federal law to possess a pistol, the applicant's place of birth, and whether the applicant is a United States citizen. If the applicant is not a United States citizen, the applicant must provide the applicant's country of citizenship, United States issued alien number or admission number, and the basis on which the applicant claims to be exempt from federal prohibitions on firearm possession by aliens. The applicant shall not be required to produce a birth certificate or other evidence of citizenship. A person who is not a citizen of the United States shall, if applicable, meet the additional requirements of RCW 9.41.173 and produce proof of compliance with RCW 9.41.173 upon application. The license may be in triplicate or in a form to be prescribed by the department of licensing.

A photograph of the applicant may be required as part of the application and printed on the face of the license.

The original thereof shall be delivered to the licensee, the duplicate shall within seven days be sent to the director of licensing and the triplicate shall be preserved for six years, by the authority issuing the license.

The department of licensing shall make available to law enforcement and corrections agencies, in an on-line format, all information received under this subsection.

(5) The nonrefundable fee, paid upon application, for the original five-year license shall be thirty-six dollars plus additional charges imposed by the federal bureau of investigation that are passed on to the applicant. No other state or local branch or unit of government may impose any additional charges on the applicant for the issuance of the license.

The fee shall be distributed as follows:

- (a) Fifteen dollars shall be paid to the state general fund;
- (b) Four dollars shall be paid to the agency taking the fingerprints of the person licensed;
- (c) Fourteen dollars shall be paid to the issuing authority for the purpose of enforcing this chapter;
- (d) Two dollars and sixteen cents to the firearms range account in the general fund; and
- (e) Eighty-four cents to the concealed pistol license renewal notification account created in RCW 43.79.540.

(6) The nonrefundable fee for the renewal of such license shall be thirty-two dollars. No other branch or unit of government may impose any additional charges on the applicant for the renewal of the license.

The renewal fee shall be distributed as follows:

- (a) Fifteen dollars shall be paid to the state general fund;
- (b) Fourteen dollars shall be paid to the issuing authority for the purpose of enforcing this chapter;
- (c) Two dollars and sixteen cents to the firearms range account in the general fund; and
- (d) Eighty-four cents to the concealed pistol license renewal notification account created in RCW 43.79.540.

(7) The nonrefundable fee for replacement of lost or damaged licenses is ten dollars to be paid to the issuing authority.

(8) Payment shall be by cash, check, or money order at the option of the applicant. Additional methods of payment may be allowed at the option of the issuing authority.

(9)(a) A licensee may renew a license if the licensee applies for renewal within ninety days before or after the expiration date of the license. A license so renewed shall take effect on the expiration date of the prior license. A licensee renewing after the expiration date of the license must pay a late renewal penalty of ten dollars in addition to the renewal fee specified in subsection (6) of this section. The fee shall be distributed as follows:

(i) Three dollars shall be deposited in the state wildlife account and used exclusively first for the printing and distribution of a pamphlet on the legal limits of the use of firearms, firearms safety, and the preemptive nature of state law, and subsequently the support of volunteer instructors in the basic firearms safety training program conducted by the department of fish and wildlife. The pamphlet shall be given to each applicant for a license; and

(ii) Seven dollars shall be paid to the issuing authority for the purpose of enforcing this chapter.

(b) Beginning with concealed pistol licenses that expire on or after August 1, 2018, the department of licensing shall mail a renewal notice approximately ninety days before the license expiration date to the licensee at the address listed on the concealed pistol license application, or to the licensee's new address if the licensee has notified the department of licensing of a change of address. Alternatively, if the licensee provides an email address at the time of license application, the department of licensing may send the renewal notice to the licensee's email address. The notice must contain the date the concealed pistol license will expire, the amount of renewal fee, the penalty for late renewal, and instructions on how to renew the license.

(10) Notwithstanding the requirements of subsections (1) through (9) of this section, the chief of police of the municipality or the sheriff of the county of the applicant's residence may issue a temporary emergency license for good cause pending review under subsection (1) of this section. However, a temporary emergency license issued under this subsection shall not exempt the holder of the license from any records check requirement. Temporary emergency licenses shall be easily distinguishable from regular licenses.

(11) A political subdivision of the state shall not modify the requirements of this section or chapter, nor may a political subdivision ask the applicant to voluntarily submit any information not required by this section.

(12) A person who knowingly makes a false statement regarding citizenship or identity on an application for a concealed pistol license is guilty of false swearing under RCW 9A.72.040. In addition to any other penalty provided for by law, the concealed pistol license of a person who knowingly makes a false statement shall be revoked, and the person shall be permanently ineligible for a concealed pistol license.

(13) A person may apply for a concealed pistol license:

(a) To the municipality or to the county in which the applicant resides if the applicant resides in a municipality;

(b) To the county in which the applicant resides if the applicant resides in an unincorporated area; or

(c) Anywhere in the state if the applicant is a nonresident.

(14) Any person who, as a member of the armed forces, including the national guard and armed forces reserves, is unable to renew his or her license under subsections (6) and (9) of this section because of the person's assignment, reassignment, or deployment for out-of-state military service may renew his or her license within ninety days after the person returns to this state from out-of-state military service, if the person provides the following to the issuing authority no later than ninety days after the person's date of discharge or assignment, reassignment, or deployment back to this state: (a) A copy of the person's original order designating the specific period of assignment, reassignment, or deployment for out-of-state military service, and (b) if appropriate, a copy of the person's discharge or amended or subsequent assignment, reassignment, or deployment order back to this state. A license so renewed under this subsection (14) shall take effect on the expiration date of the prior license. A licensee renewing after the expiration date of the license under this subsection (14) shall pay only the renewal fee specified in subsection (6) of

this section and shall not be required to pay a late renewal penalty in addition to the renewal fee.

Passed by the House March 7, 2018.

Passed by the Senate March 8, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 227

[Substitute House Bill 2561]

WILDLAND FIRE ADVISORY COMMITTEE--TEMPORARY DUTIES

AN ACT Relating to temporary duties for the wildland fire advisory committee; 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) Subject to amounts appropriated for this specific purpose, the commissioner of public lands must direct the wildland fire advisory committee established in RCW 76.04.179 to review, analyze, and make recommendations on the following issues related to wild fire prevention, response, and suppression activities within our state:

(a) The committee, with the assistance of department of natural resources' personnel, must approximately quantify the areas in the state that are not contained within an established fire district nor subject to a planned fire response and make recommendations as to how these areas could be protected as well as a source of funding for any recommended activities. In doing so, the committee must, in time for inclusion in the December 31, 2018, status report: Review the relevant recommendations contained in the joint legislative audit and review committee's 2017 final report on fees assessed for forest fire protection; analyze and develop recommendations on potential administrative and legislative actions including, for example, the process proposed in chapter . . . (Substitute Senate Bill No. 6575), Laws of 2018; and consult with any relevant stakeholders, as deemed necessary by the committee, that are not represented on the committee.

(b) The committee must examine the value of community programs that educate homeowners and engage in preventive projects within wild fire risk communities, such as firewise, and make recommendations on whether these programs should be advanced, and if so, how, including potential sources of ongoing funding for the programs.

(c) The committee must also develop plans to help protect non-English speaking residents during wildfire emergencies. The committee may enlist the assistance from the state ethnic and diversity commissions or any other organizations who have expertise in public outreach to non-English speaking people.

(2) The department of natural resources must provide to the appropriate committees of the legislature a status report of the committee's efforts by December 31, 2018, and issue a report with the committee's recommendations by November 15, 2019.

(3) This section expires December 31, 2019.

Passed by the House March 5, 2018.

Passed by the Senate March 2, 2018.

Approved by the Governor March 22, 2018.
Filed in Office of Secretary of State March 26, 2018.

CHAPTER 228

[Substitute House Bill 2685]

HIGH SCHOOL STUDENTS-- PREAPPRENTICESHIP AND YOUTH APPRENTICESHIP OPPORTUNITIES--PROMOTION

AN ACT Relating to promoting preapprenticeship opportunities for high school students; and adding a new section to chapter 28A.300 RCW.

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

NEW SECTION. **Sec. 1.** A new section is added to chapter 28A.300 RCW to read as follows:

(1) Subject to the availability of amounts appropriated for this specific purpose, the office of the superintendent of public instruction, in consultation with the state board for community and technical colleges and the Washington state apprenticeship and training council, shall examine opportunities for promoting recognized preapprenticeship and registered youth apprenticeship opportunities for high school students.

(2) In accordance with this section, by November 1, 2018, the office of the superintendent of public instruction shall solicit input from persons and organizations with an interest or relevant expertise in registered preapprenticeship programs, registered youth apprenticeship programs, or both, and employer-based preapprenticeship and youth apprenticeship programs, and provide a report to the governor and the education committees of the house of representatives and the senate that includes recommendations for:

(a) Improving alignment between college level vocational courses at institutions of higher education and high school curriculum and graduation requirements, including high school and beyond plans required by RCW 28A.230.090. Recommendations provided under this subsection may include recommendations for the development or revision of career and technical education course equivalencies established in accordance with RCW 28A.700.080(1)(b) for college level vocational courses successfully completed by a student while in high school and taken for dual credit;

(b) Identifying and removing barriers that prevent the wider exploration and use of registered preapprenticeship and registered youth apprenticeship opportunities by high school students and opportunities for registered apprenticeships by graduating secondary students; and

(c) Increasing awareness among teachers, counselors, students, parents, principals, school administrators, and the public about the opportunities offered by registered preapprenticeship and registered youth apprenticeship programs.

(3) As used in this section, "institution of higher education" has the same meaning as defined in RCW 28A.600.300.

Passed by the House March 5, 2018.

Passed by the Senate February 28, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 229

[Substitute House Bill 2686]

HIGH SCHOOL AND BEYOND PLANS

AN ACT Relating to high school and beyond plans; amending RCW 28A.230.090; and adding a new section to chapter 28A.230 RCW.

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

Sec. 1. RCW 28A.230.090 and 2017 3rd sp.s. c 31 s 4 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)(i) Each student must have a high school and beyond plan to guide the student's high school experience and prepare the student for postsecondary education or training and career.

(ii) A high school and beyond plan must be initiated for each student during the seventh or eighth grade. In preparation for initiating that plan, each student must first be administered a career interest and skills inventory.

(iii) The high school and beyond plan must be updated to reflect high school assessment results in RCW 28A.655.070(3)(b) and to review transcripts, assess progress toward identified goals, and revised as necessary for changing interests, goals, and needs. The plan must identify available interventions and academic support, courses, or both, that are designed for students who have not met the high school graduation standard, to enable them to meet the standard. School districts are encouraged to involve parents and guardians in the process of developing and updating the high school and beyond plan, and the plan must be provided to the students' parents or guardians in their native language if that language is one of the two most frequently spoken non-English languages of students in the district. Nothing in this subsection (1)(c)(iii) prevents districts from providing high school and beyond plans to parents and guardians in additional languages that are not required by this subsection.

(iv) All high school and beyond plans must, at a minimum, include the following elements:

- (A) Identification of career goals, aided by a skills and interest assessment;
- (B) Identification of educational goals;

(C) Identification of dual credit programs and the opportunities they create for students, including but not limited to career and technical education programs, running start programs, and college in the high school programs;

(D) Information about the college bound scholarship program established in chapter 28B.118 RCW;

(E) A four-year plan for course taking that ((fulfills));

(I) Includes information about options for satisfying state and local graduation requirements;

(II) Satisfies state and local graduation requirements ((and));

(III) Aligns with the student's ((career and educational)) secondary and postsecondary goals;

(IV) Identifies dual credit programs and the opportunities they create for students; and

(V) Includes information about the college bound scholarship program; and

~~((D))~~ (F) By the end of the twelfth grade, a current resume or activity log that provides a written compilation of the student's education, any work experience, and any community service and how the school district has recognized the community service pursuant to RCW 28A.320.193.

(d) 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. A district may establish additional, local requirements for a high school and beyond plan to serve the needs and interests of its students and the purposes of this section.

(e)(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)(e). 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)(e) to an applying school district at the next subsequent meeting of the board after receiving an application.

(iii) A school district must update the high school and beyond plans for each student who has not earned a score of level 3 or level 4 on the middle school mathematics assessment identified in RCW 28A.655.070 by ninth grade, to

ensure that the student takes a mathematics course in both ninth and tenth grades. This course may include career and technical education equivalencies in mathematics adopted pursuant to RCW 28A.230.097.

(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. 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. 2. A new section is added to chapter 28A.230 RCW to read as follows:

Subject to the availability of amounts appropriated for this specific purpose, the office of the superintendent of public instruction shall work with school districts, including teachers, principals, and school counselors, educational service districts, the Washington state school directors' association, institutions of higher education as defined in RCW 28B.10.016, students, and parents and guardians to identify best practices for high school and beyond plans that districts and schools may employ when complying with high school and beyond plan requirements adopted in accordance with RCW 28A.230.090. The identified best practices, which must consider differences in enrollment and other factors that distinguish districts from one another, must be posted on the web site of the office of the superintendent of public instruction by September 1, 2019, and may be revised periodically as necessary.

Passed by the House February 9, 2018.

Passed by the Senate March 1, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 230

[Substitute House Bill 2786]

FIREFIGHTERS--ISLAND PRISONS AND CIVIL COMMITMENT CENTERS--LEOFF MEMBERSHIP

AN ACT Relating to membership in the law enforcement officers' and firefighters' retirement system plan 2 for firefighters employed by the department of corrections or the department of social and health services and serving at a prison or civil commitment center located on an island; amending RCW 41.26.030; and adding a new section to chapter 41.26 RCW.

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

Sec. 1. RCW 41.26.030 and 2017 c 309 s 1 are each amended to read as follows:

As used in this chapter, unless a different meaning is plainly required by the context:

(1) "Accumulated contributions" means the employee's contributions made by a member, including any amount paid under RCW 41.50.165(2), plus accrued interest credited thereon.

(2) "Actuarial reserve" means a method of financing a pension or retirement plan wherein reserves are accumulated as the liabilities for benefit payments are incurred in order that sufficient funds will be available on the date of retirement of each member to pay the member's future benefits during the period of retirement.

(3) "Actuarial valuation" means a mathematical determination of the financial condition of a retirement plan. It includes the computation of the present monetary value of benefits payable to present members, and the present monetary value of future employer and employee contributions, giving effect to mortality among active and retired members and also to the rates of disability, retirement, withdrawal from service, salary and interest earned on investments.

(4)(a) "Basic salary" for plan 1 members, means the basic monthly rate of salary or wages, including longevity pay but not including overtime earnings or

special salary or wages, upon which pension or retirement benefits will be computed and upon which employer contributions and salary deductions will be based.

(b) "Basic salary" for plan 2 members, means salaries or wages earned by a member during a payroll period for personal services, including overtime payments, and shall include wages and salaries deferred under provisions established pursuant to sections 403(b), 414(h), and 457 of the United States Internal Revenue Code, but shall exclude lump sum payments for deferred annual sick leave, unused accumulated vacation, unused accumulated annual leave, or any form of severance pay. In any year in which a member serves in the legislature the member shall have the option of having such member's basic salary be the greater of:

(i) The basic salary the member would have received had such member not served in the legislature; or

(ii) Such member's actual basic salary received for nonlegislative public employment and legislative service combined. Any additional contributions to the retirement system required because basic salary under (b)(i) of this subsection is greater than basic salary under (b)(ii) of this subsection shall be paid by the member for both member and employer contributions.

(5)(a) "Beneficiary" for plan 1 members, means any person in receipt of a retirement allowance, disability allowance, death benefit, or any other benefit described herein.

(b) "Beneficiary" for plan 2 members, means any person in receipt of a retirement allowance or other benefit provided by this chapter resulting from service rendered to an employer by another person.

(6)(a) "Child" or "children" means an unmarried person who is under the age of eighteen or mentally or physically disabled as determined by the department, except a person who is disabled and in the full time care of a state institution, who is:

(i) A natural born child;

(ii) A stepchild where that relationship was in existence prior to the date benefits are payable under this chapter;

(iii) A posthumous child;

(iv) A child legally adopted or made a legal ward of a member prior to the date benefits are payable under this chapter; or

(v) An illegitimate child legitimized prior to the date any benefits are payable under this chapter.

(b) A person shall also be deemed to be a child up to and including the age of twenty years and eleven months while attending any high school, college, or vocational or other educational institution accredited, licensed, or approved by the state, in which it is located, including the summer vacation months and all other normal and regular vacation periods at the particular educational institution after which the child returns to school.

(7) "Department" means the department of retirement systems created in chapter 41.50 RCW.

(8) "Director" means the director of the department.

(9) "Disability board" for plan 1 members means either the county disability board or the city disability board established in RCW 41.26.110.

(10) "Disability leave" means the period of six months or any portion thereof during which a member is on leave at an allowance equal to the member's full salary prior to the commencement of disability retirement. The definition contained in this subsection shall apply only to plan 1 members.

(11) "Disability retirement" for plan 1 members, means the period following termination of a member's disability leave, during which the member is in receipt of a disability retirement allowance.

(12) "Domestic partners" means two adults who have registered as domestic partners under RCW 26.60.020.

(13) "Employee" means any law enforcement officer or firefighter as defined in subsections ~~((16))~~ (17) and ~~((18))~~ (19) of this section.

(14)(a) "Employer" for plan 1 members, means the legislative authority of any city, town, county, or district or the elected officials of any municipal corporation that employs any law enforcement officer and/or firefighter, any authorized association of such municipalities, and, except for the purposes of RCW 41.26.150, any labor guild, association, or organization, which represents the firefighters or law enforcement officers of at least seven cities of over 20,000 population and the membership of each local lodge or division of which is composed of at least sixty percent law enforcement officers or firefighters as defined in this chapter.

(b) "Employer" for plan 2 members, means the following entities to the extent that the entity employs any law enforcement officer and/or firefighter:

(i) The legislative authority of any city, town, county, district, or public corporation established under RCW 35.21.730 to provide emergency medical services as defined in RCW 18.73.030;

(ii) The elected officials of any municipal corporation;

(iii) The governing body of any other general authority law enforcement agency; ~~((e))~~

(iv) A four-year institution of higher education having a fully operational fire department as of January 1, 1996; or

(v) The department of social and health services or the department of corrections when employing firefighters serving at a prison or civil commitment center on an island.

(c) Except as otherwise specifically provided in this chapter, "employer" does not include a government contractor. For purposes of this subsection, a "government contractor" is any entity, including a partnership, limited liability company, for-profit or nonprofit corporation, or person, that provides services pursuant to a contract with an "employer." The determination whether an employer-employee relationship has been established is not based on the relationship between a government contractor and an "employer," but is based solely on the relationship between a government contractor's employee and an "employer" under this chapter.

(15)(a) "Final average salary" for plan 1 members, means (i) for a member holding the same position or rank for a minimum of twelve months preceding the date of retirement, the basic salary attached to such same position or rank at time of retirement; (ii) for any other member, including a civil service member who has not served a minimum of twelve months in the same position or rank preceding the date of retirement, the average of the greatest basic salaries payable to such member during any consecutive twenty-four month period

within such member's last ten years of service for which service credit is allowed, computed by dividing the total basic salaries payable to such member during the selected twenty-four month period by twenty-four; (iii) in the case of disability of any member, the basic salary payable to such member at the time of disability retirement; (iv) in the case of a member who hereafter vests pursuant to RCW 41.26.090, the basic salary payable to such member at the time of vesting.

(b) "Final average salary" for plan 2 members, means the monthly average of the member's basic salary for the highest consecutive sixty service credit months of service prior to such member's retirement, termination, or death. Periods constituting authorized unpaid leaves of absence may not be used in the calculation of final average salary.

(c) In calculating final average salary under (a) or (b) of this subsection, the department of retirement systems shall include:

(i) Any compensation forgone by a member employed by a state agency or institution during the 2009-2011 fiscal biennium as a result of reduced work hours, mandatory or voluntary leave without pay, temporary reduction in pay implemented prior to December 11, 2010, or temporary layoffs if the reduced compensation is an integral part of the employer's expenditure reduction efforts, as certified by the employer; and

(ii) Any compensation forgone by a member employed by the state or a local government employer during the 2011-2013 fiscal biennium as a result of reduced work hours, mandatory leave without pay, temporary layoffs, or reductions to current pay if the reduced compensation is an integral part of the employer's expenditure reduction efforts, as certified by the employer. Reductions to current pay shall not include elimination of previously agreed upon future salary increases.

(16) "Fire department" includes a fire station operated by the department of social and health services or the department of corrections when employing firefighters serving a prison or civil commitment center on an island.

(17) "Firefighter" means:

(a) Any person who is serving on a full time, fully compensated basis as a member of a fire department of an employer and who is serving in a position which requires passing a civil service examination for firefighter, and who is actively employed as such;

(b) Anyone who is actively employed as a full time firefighter where the fire department does not have a civil service examination;

(c) Supervisory firefighter personnel;

(d) Any full time executive secretary of an association of fire protection districts authorized under RCW 52.12.031. The provisions of this subsection ~~((16))~~ (17)(d) shall not apply to plan 2 members;

(e) The executive secretary of a labor guild, association or organization (which is an employer under subsection (14) of this section), if such individual has five years previous membership in a retirement system established in chapter 41.16 or 41.18 RCW. The provisions of this subsection ~~((16))~~ (17)(e) shall not apply to plan 2 members;

(f) Any person who is serving on a full time, fully compensated basis for an employer, as a fire dispatcher, in a department in which, on March 1, 1970, a

dispatcher was required to have passed a civil service examination for firefighter;

(g) Any person who on March 1, 1970, was employed on a full time, fully compensated basis by an employer, and who on May 21, 1971, was making retirement contributions under the provisions of chapter 41.16 or 41.18 RCW; and

(h) Any person who is employed on a full-time, fully compensated basis by an employer as an emergency medical technician that meets the requirements of RCW 18.71.200 or 18.73.030(12), and whose duties include providing emergency medical services as defined in RCW 18.73.030.

~~((47))~~ (18) "General authority law enforcement agency" means any agency, department, or division of a municipal corporation, political subdivision, or other unit of local government of this state, and any agency, department, or division of state government, having as its primary function the detection and apprehension of persons committing infractions or violating the traffic or criminal laws in general, but not including the Washington state patrol. Such an agency, department, or division is distinguished from a limited authority law enforcement agency having as one of its functions the apprehension or detection of persons committing infractions or violating the traffic or criminal laws relating to limited subject areas, including but not limited to, the state departments of natural resources and social and health services, the state gambling commission, the state lottery commission, the state parks and recreation commission, the state utilities and transportation commission, the state liquor and cannabis board, and the state department of corrections. A general authority law enforcement agency under this chapter does not include a government contractor.

~~((48))~~ (19) "Law enforcement officer" beginning January 1, 1994, means any person who is commissioned and employed by an employer on a full time, fully compensated basis to enforce the criminal laws of the state of Washington generally, with the following qualifications:

(a) No person who is serving in a position that is basically clerical or secretarial in nature, and who is not commissioned shall be considered a law enforcement officer;

(b) Only those deputy sheriffs, including those serving under a different title pursuant to county charter, who have successfully completed a civil service examination for deputy sheriff or the equivalent position, where a different title is used, and those persons serving in unclassified positions authorized by RCW 41.14.070 except a private secretary will be considered law enforcement officers;

(c) Only such full time commissioned law enforcement personnel as have been appointed to offices, positions, or ranks in the police department which have been specifically created or otherwise expressly provided for and designated by city charter provision or by ordinance enacted by the legislative body of the city shall be considered city police officers;

(d) The term "law enforcement officer" also includes the executive secretary of a labor guild, association or organization (which is an employer under subsection (14) of this section) if that individual has five years previous membership in the retirement system established in chapter 41.20 RCW. The

provisions of this subsection (~~((18))~~) (19)(d) shall not apply to plan 2 members; and

(e) The term "law enforcement officer" also includes a person employed on or after January 1, 1993, as a public safety officer or director of public safety, so long as the job duties substantially involve only either police or fire duties, or both, and no other duties in a city or town with a population of less than ten thousand. The provisions of this subsection (~~((18))~~) (19)(e) shall not apply to any public safety officer or director of public safety who is receiving a retirement allowance under this chapter as of May 12, 1993.

~~((19))~~ (20) "Medical services" for plan 1 members, shall include the following as minimum services to be provided. Reasonable charges for these services shall be paid in accordance with RCW 41.26.150.

(a) Hospital expenses: These are the charges made by a hospital, in its own behalf, for

(i) Board and room not to exceed semiprivate room rate unless private room is required by the attending physician due to the condition of the patient.

(ii) Necessary hospital services, other than board and room, furnished by the hospital.

(b) Other medical expenses: The following charges are considered "other medical expenses," provided that they have not been considered as "hospital expenses".

(i) The fees of the following:

(A) A physician or surgeon licensed under the provisions of chapter 18.71 RCW;

(B) An osteopathic physician and surgeon licensed under the provisions of chapter 18.57 RCW;

(C) A chiropractor licensed under the provisions of chapter 18.25 RCW.

(ii) The charges of a registered graduate nurse other than a nurse who ordinarily resides in the member's home, or is a member of the family of either the member or the member's spouse.

(iii) The charges for the following medical services and supplies:

(A) Drugs and medicines upon a physician's prescription;

(B) Diagnostic X-ray and laboratory examinations;

(C) X-ray, radium, and radioactive isotopes therapy;

(D) Anesthesia and oxygen;

(E) Rental of iron lung and other durable medical and surgical equipment;

(F) Artificial limbs and eyes, and casts, splints, and trusses;

(G) Professional ambulance service when used to transport the member to or from a hospital when injured by an accident or stricken by a disease;

(H) Dental charges incurred by a member who sustains an accidental injury to his or her teeth and who commences treatment by a legally licensed dentist within ninety days after the accident;

(I) Nursing home confinement or hospital extended care facility;

(J) Physical therapy by a registered physical therapist;

(K) Blood transfusions, including the cost of blood and blood plasma not replaced by voluntary donors;

(L) An optometrist licensed under the provisions of chapter 18.53 RCW.

~~((20))~~ (21) "Member" means any firefighter, law enforcement officer, or other person as would apply under subsections (~~((16))~~) (17) or (~~((18))~~) (19) of

this section whose membership is transferred to the Washington law enforcement officers' and firefighters' retirement system on or after March 1, 1970, and every law enforcement officer and firefighter who is employed in that capacity on or after such date.

~~((21))~~ (22) "Plan 1" means the law enforcement officers' and firefighters' retirement system, plan 1 providing the benefits and funding provisions covering persons who first became members of the system prior to October 1, 1977.

~~((22))~~ (23) "Plan 2" means the law enforcement officers' and firefighters' retirement system, plan 2 providing the benefits and funding provisions covering persons who first became members of the system on and after October 1, 1977.

~~((23))~~ (24) "Position" means the employment held at any particular time, which may or may not be the same as civil service rank.

~~((24))~~ (25) "Regular interest" means such rate as the director may determine.

~~((25))~~ (26) "Retiree" for persons who establish membership in the retirement system on or after October 1, 1977, means any member in receipt of a retirement allowance or other benefit provided by this chapter resulting from service rendered to an employer by such member.

~~((26))~~ (27) "Retirement fund" means the "Washington law enforcement officers' and firefighters' retirement system fund" as provided for herein.

~~((27))~~ (28) "Retirement system" means the "Washington law enforcement officers' and firefighters' retirement system" provided herein.

~~((28))~~ (29)(a) "Service" for plan 1 members, means all periods of employment for an employer as a firefighter or law enforcement officer, for which compensation is paid, together with periods of suspension not exceeding thirty days in duration. For the purposes of this chapter service shall also include service in the armed forces of the United States as provided in RCW 41.26.190. Credit shall be allowed for all service credit months of service rendered by a member from and after the member's initial commencement of employment as a firefighter or law enforcement officer, during which the member worked for seventy or more hours, or was on disability leave or disability retirement. Only service credit months of service shall be counted in the computation of any retirement allowance or other benefit provided for in this chapter.

(i) For members retiring after May 21, 1971 who were employed under the coverage of a prior pension act before March 1, 1970, "service" shall also include (A) such military service not exceeding five years as was creditable to the member as of March 1, 1970, under the member's particular prior pension act, and (B) such other periods of service as were then creditable to a particular member under the provisions of RCW 41.18.165, 41.20.160, or 41.20.170. However, in no event shall credit be allowed for any service rendered prior to March 1, 1970, where the member at the time of rendition of such service was employed in a position covered by a prior pension act, unless such service, at the time credit is claimed therefor, is also creditable under the provisions of such prior act.

(ii) A member who is employed by two employers at the same time shall only be credited with service to one such employer for any month during which the member rendered such dual service.

(b) "Service" for plan 2 members, means periods of employment by a member for one or more employers for which basic salary is earned for ninety or

more hours per calendar month which shall constitute a service credit month. Periods of employment by a member for one or more employers for which basic salary is earned for at least seventy hours but less than ninety hours per calendar month shall constitute one-half service credit month. Periods of employment by a member for one or more employers for which basic salary is earned for less than seventy hours shall constitute a one-quarter service credit month.

Members of the retirement system who are elected or appointed to a state elective position may elect to continue to be members of this retirement system.

Service credit years of service shall be determined by dividing the total number of service credit months of service by twelve. Any fraction of a service credit year of service as so determined shall be taken into account in the computation of such retirement allowance or benefits.

If a member receives basic salary from two or more employers during any calendar month, the individual shall receive one service credit month's service credit during any calendar month in which multiple service for ninety or more hours is rendered; or one-half service credit month's service credit during any calendar month in which multiple service for at least seventy hours but less than ninety hours is rendered; or one-quarter service credit month during any calendar month in which multiple service for less than seventy hours is rendered.

~~((29))~~ (30) "Service credit month" means a full service credit month or an accumulation of partial service credit months that are equal to one.

~~((30))~~ (31) "Service credit year" means an accumulation of months of service credit which is equal to one when divided by twelve.

~~((31))~~ (32) "State actuary" or "actuary" means the person appointed pursuant to RCW 44.44.010(2).

~~((32))~~ (33) "State elective position" means any position held by any person elected or appointed to statewide office or elected or appointed as a member of the legislature.

~~((33))~~ (34) "Surviving spouse" means the surviving widow or widower of a member. "Surviving spouse" shall not include the divorced spouse of a member except as provided in RCW 41.26.162.

NEW SECTION. Sec. 2. A new section is added to chapter 41.26 RCW to read as follows:

(1) A member of plan 2 or plan 3 who was a member of the public employees' retirement system while employed by the department of social and health services or the department of corrections as a firefighter serving at a prison or civil commitment center on an island has the following options:

(a) Remain a member of the public employees' retirement system;

(b) Leave any service credit earned as a member of the public employees' retirement system in the public employees' retirement system, and have all future service earned in the law enforcement officers' and firefighters' retirement system plan 2, becoming a dual member under the provisions of chapter 41.54 RCW; or

(c) Make an election no later than one year from the effective date of this section, filed in writing with the department of retirement systems, to transfer service credit previously earned as a firefighter for the department of corrections or the department of social and health services in the public employees' retirement system plan 2 or plan 3 to the law enforcement officers' and firefighters' retirement system plan 2 as defined in RCW 41.26.030.

(2)(a) A member who elects to transfer service credit under subsection (1)(c) of this section shall make the payments required by this subsection prior to having service credit earned as a firefighter for the department of corrections or the department of social and health service under the public employees' retirement system plan 2 or plan 3 transferred to the law enforcement officers' and firefighters' retirement system plan 2.

(b)(i) A member of plan 2 who elects to transfer service credit under this subsection shall pay, for the applicable period of service, the difference between the contributions the employee paid to the public employees' retirement system plan 2 and the contributions that would have been paid by the employee had the employee been a member of the law enforcement officers' and firefighters' retirement system plan 2.

(ii) A member of plan 3 who elects to transfer service credit under this subsection shall pay, for the applicable period of service, the amount of the contributions that would have been paid by the employee had the employee been a member of the law enforcement officers' and firefighters' plan 2. That payment may be made in whole or in part as a rollover from the plan 3 member's individual member account.

(iii) The payments in (b)(i) and (ii) of this subsection must be made no later than five years from the effective date of the election made under subsection (1)(c) of this section and must be made prior to retirement, except under (d) of this subsection.

(c) Upon completion of the payment required in (b) of this subsection, the department shall transfer from the public employees' retirement system plan 2 or plan 3 to the law enforcement officers' and firefighters' retirement system plan 2:

(i) All of the employee's applicable accumulated contributions plus interest and an equal amount of employer contributions; and

(ii) All service credit earned as a firefighter for the department of corrections or the department of social and health services as a firefighter serving at a prison or civil commitment center on an island as though that service was rendered as a member of the law enforcement officers' and firefighters' retirement system plan 2.

(d) If a member who elected to transfer pursuant to this section dies or retires for disability prior to five years from their election date, the member's benefit is calculated as follows:

(i) All of the applicable service credit, accumulated contributions, and interest is transferred to the law enforcement officers' and firefighters' retirement system plan 2 and used in the calculation of a benefit.

(ii) If a member's obligation under (b) of this subsection has not been paid in full at the time of death or disability retirement, the member, or in the case of death the surviving spouse or eligible minor children, have the following options:

(A) Pay the bill in full;

(B) If a continuing monthly benefit is chosen, have the benefit actuarially reduced to reflect the amount of the unpaid obligation under (b) of this subsection; or

(C) Continue to make payment against the obligation under (b) of this subsection, provided that payment in full is made no later than five years from the member's original election date.

(e) Upon transfer of service credit, contributions, and interest under this subsection, the employee is permanently excluded from membership in the public employees' retirement system for all service transfers related to their time served as a firefighter for the department of corrections or the department of social and health services serving at a prison or civil commitment center located on an island under the public employees' retirement system.

Passed by the House February 13, 2018.

Passed by the Senate March 1, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 231

[Engrossed House Bill 2861]

TRAUMA-INFORMED CHILD CARE--ADVISORY GROUP

AN ACT Relating to expanding the provision of trauma-informed child care; 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 all children deserve the opportunity to learn and thrive. Children who experience trauma and children with developmental disabilities are more likely to exhibit severe emotional and behavioral problems. Children with these challenging behaviors in early learning environments are expelled at three times the rate of children in K-12 environments, excluding these children from the early learning opportunities they need.

The legislature further finds that children with social, emotional, and behavioral differences may develop self-management and other life skills with the help of intervention and habilitative care. However, without effective behavior assessment and support, underlying trauma, disabilities, or other conditions may go unaddressed and lead to underdeveloped intellectual functioning and adaptive behavior, including more extreme behavioral differences from their peers. Scientific research on developing brains has shown that earlier intervention is more effective for children who require additional support.

The legislature further finds that training on trauma-informed child care will help teachers and administrators better serve most children, however some children may need access to more intense care and treatment. Developing specialized care and interventions for very high needs children throughout our state is critical in ensuring that these children are ready to enter kindergarten.

Therefore, the legislature intends to direct the department of children, youth, and families to develop a five-year strategy to expand training and awareness in trauma identification and positive behavior supports in early learning environments in order to improve outcomes for young children.

NEW SECTION. Sec. 2. (1) The department of children, youth, and families must convene an advisory group to develop a five-year strategy to expand training in trauma-informed child care for early learning providers statewide and reduce expulsions from early learning environments. The five-year strategy must include:

(a) Plans to deliver training to early learning providers and administrators in trauma-informed child care;

(b) Recommended changes to the early achievers program quality rating and improvement system to better rate and support providers serving high needs children;

(c) Plans for outreach to parents to expand awareness about the availability of trauma-informed child care;

(d) An analysis of all available federal, state, and local funding sources that may be used for funding elements of the five-year strategy;

(e) Best practices for supporting family day care providers in the provision of trauma-informed child care;

(f) Recommended child care center staffing ratios, requirements for access to specialty providers, and subsidy rates for providers specializing in trauma-informed child care; and

(g) Systems for tracking expulsions from child care and methods to reduce expulsions by fifty percent over five years.

(2) Advisory group members are selected by the department and must include:

(a) One or more child psychologists;

(b) A child care provider specializing in working with traumatized children;

(c) A child care provider specializing in working with children with developmental disabilities;

(d) An expert in research on adverse childhood experiences and its impact on child development;

(e) A child care provider who operates a facility in which a racially diverse group of children is served;

(f) An expert in racial diversity in education;

(g) A provider of the early childhood intervention and prevention services (ECLIPSE) program;

(h) A representative of a nonprofit entity that provides quality improvement services to participants in the early achievers program;

(i) A parent of a child with three or more adverse childhood experiences;

(j) A representative of a nonprofit organization with expertise in developing social-emotional curricula for early learning environments;

(k) A representative of a union representing child care providers;

(l) A nonunion representative of child care providers; and

(m) A representative from a statewide organization representing early childhood education and assistance program providers.

(3) The department must submit the five-year strategy to the governor and the appropriate committees of the legislature in accordance with RCW 43.01.036 by November 1, 2018.

(4) For the purposes of this section, "trauma-informed child care" means child care in which providers:

(a) Recognize the signs and symptoms of trauma in children;

(b) Incorporate an understanding of both the impact of trauma and the potential paths for recovery; and

(c) Respond by fully integrating knowledge about trauma into policies, procedures, and practices while actively seeking to avoid retraumatization.

NEW SECTION. Sec. 3. This act expires December 30, 2018.

Passed by the House February 12, 2018.

Passed by the Senate March 1, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 232

[Second Substitute Senate Bill 6274]

PASSPORT TO CAREERS PROGRAM--FOSTER CARE YOUTH AND HOMELESS YOUTH-- COLLEGE AND APPRENTICESHIP

AN ACT Relating to helping former foster youth and unaccompanied youth experiencing homelessness access and complete college and registered apprenticeships; amending RCW 28B.117.005, 28B.117.010, 28B.117.020, 28B.117.030, 28B.117.040, 28B.77.250, 28B.117.050, and 28B.76.526; adding new sections to chapter 28B.117 RCW; creating a new section; repealing RCW 28B.117.070, 28B.117.901, and 28B.117.902; and repealing 2013 c 182 s 11 (uncodified).

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

Sec. 1. RCW 28B.117.005 and 2013 c 39 s 11 are each amended to read as follows:

~~(1)(a) ((The legislature finds that in Washington, there are more than seven thousand three hundred children in foster family or group care. These children face unique obstacles and burdens as they transition to adulthood, including lacking continuity in their elementary and high school educations. As compared to the general population of students, twice as many foster care youth change schools at least once during their elementary and secondary school careers, and three times as many change schools at least three times. Only thirty-four percent of foster care youth graduate from high school within four years, compared to seventy percent for the general population. Of the former foster care youth who earn a high school diploma, more than twenty-eight percent earn a high school equivalency certificate as provided in RCW 28B.50.536 instead of a traditional high school diploma. This is almost six times the rate of the general population. Research indicates that holders of high school equivalency certificates tend not to be as economically successful as the holders of traditional high school diplomas. Only twenty percent of former foster care youth who earn a high school degree enroll in college, compared to over sixty percent of the population generally. Of the former foster care youth who do enroll in college, very few go on to earn a degree. Less than two percent of former foster care youth hold bachelor's degrees, compared to twenty-eight percent of Washington's population generally.~~

~~(b) Former foster care youth face two critical hurdles to enrolling in college. The first is a lack of information regarding preparation for higher education and their options for enrolling in higher education. The second is finding the financial resources to fund their education. As a result of the unique hurdles and challenges that face former foster care youth, a disproportionate number of them are part of society's large group of marginalized youth and are at increased risk of continuing the cycle of poverty and violence that frequently plagues their families.~~

~~(c) Former foster care youth suffer from mental health problems at a rate greater than that of the general population. For example, one in four former foster care youth report having suffered from posttraumatic stress disorder~~

within the previous twelve months, compared to only four percent of the general population. Similarly, the incidence of major depression among former foster care youth is twice that of the general population, twenty percent versus ten percent.

~~(d) There are other barriers for former foster care youth to achieving successful adulthood. One third of former foster care youth live in households that are at or below the poverty level. This is three times the rate for the general population. The percentage of former foster care youth who report being homeless within one year of leaving foster care varies from over ten percent to almost twenty five percent. By comparison, only one percent of the general population reports having been homeless at sometime during the past year. One in three former foster care youth lack health insurance, compared to less than one in five people in the general population. One in six former foster care youth receive cash public assistance. This is five times the rate of the general population.~~

~~(e) Approximately twenty five percent of former foster care youth are incarcerated at sometime after leaving foster care. This is four times the rate of incarceration for the general population. Of the former foster care youth who "age out" of foster care, twenty seven percent of the males and ten percent of the females are incarcerated within twelve to eighteen months of leaving foster care.~~

~~(f) Female former foster care youth become sexually active more than seven months earlier than their nonfoster care counterparts, have more sexual partners, and have a mean age of first pregnancy of almost two years earlier than their peers who were not in foster care.~~

~~(2) The legislature intends to create the passport to college promise pilot program. The pilot program will initially operate for a six year period, and will have two primary components, as follows:~~

~~(a) Significantly increasing outreach to foster care youth between the ages of fourteen and eighteen regarding the higher education opportunities available to them, how to apply to college, and how to apply for and obtain financial aid; and~~

~~(b) Providing financial aid to former foster care youth to assist with the costs of their public undergraduate college education.-))~~ The legislature finds that with the creation of the passport to college promise program this state took a significant step toward providing higher education opportunities to youth and alumni of foster care. The passport to college promise program not only provides financial aid to former foster youth but, just as important, it recognizes the critical role of wraparound services and provides early outreach to foster care youth regarding postsecondary higher educational opportunities. Since 2007, the passport to college promise program has increased the number of former foster youth enrolling in higher education and working toward college degrees.

(b) Recognizing the success of creating pathways for foster youth to access higher education, the legislature now seeks to create an additional postsecondary pathway through access to registered apprenticeships or recognized preapprenticeships. Former foster and unaccompanied homeless youth face critical hurdles to accessing registered apprenticeships and recognized preapprenticeships. The first is a lack of information regarding preparation for and enrolling in registered apprenticeships or recognized preapprenticeships. The second is finding the financial resources to begin and continue in an

apprenticeship or preapprenticeship. As a result of the unique hurdles and challenges that face youth in and alumni of foster care and unaccompanied homeless and former homeless youth, a disproportionate number of them are part of society's large group of marginalized youth.

(c) The legislature reiterates its earlier recognition of the critical role education plays in improving outcomes for youth in and alumni of foster care and unaccompanied homeless and former homeless youth, as well as the key role played by wraparound services in providing continuity and seamless transitions to postsecondary credential programs. With the creation of a parallel pathway with a passport for registered apprenticeships or recognized preapprenticeships, including for the provision of wraparound services, the legislature strives to make Washington the leader in the nation with respect to foster and unaccompanied homeless youth graduating from high school and enrolling in and achieving a postsecondary credential.

(d) The legislature further finds that students experiencing homelessness face similar challenges and educational outcomes as their peers in foster care. In 2016, fifty-three and two-fifths percent of Washington youth experiencing homelessness graduated from high school on time, compared to seventy-nine percent of their peers. Students experiencing homelessness are more likely to be students of color, chronically absent, and have lower test scores in reading and math. Homeless students may also be former foster youth and foster youth may be formerly homeless students. Similar to youth in foster care, students experiencing homelessness need opportunities for financial aid, wraparound services, and early outreach regarding postsecondary higher educational opportunities and apprenticeships.

(2) It is the intent of the legislature to create the passport to careers program with two programmatic pathways: The passport to college promise program and the passport to apprenticeship opportunities. The passport to careers program expands upon the passport to college promise program created in 2007 to include a program of financial assistance for eligible youth and young adults to participate in apprenticeship or preapprenticeship programs called the passport to apprenticeship opportunities program. The passport to careers program will have three primary components:

(a) Outreach to foster and unaccompanied homeless youth and young adults regarding the higher education and registered apprenticeship opportunities available to them, how to apply, and how to apply for and obtain financial aid;

(b) Provide financial support to former foster and unaccompanied homeless youth to assist with the costs of their public undergraduate college education or provide financial assistance to meet apprenticeship or preapprenticeship program minimum qualifications and occupational-specific costs and the supportive services to help them apply and complete a registered apprenticeship or recognized preapprenticeship; and

(c) Measurably increase the number of foster and homeless youth accessing and completing higher education or registered apprenticeship programs and successfully entering and retaining employment.

Sec. 2. RCW 28B.117.010 and 2012 c 163 s 2 are each amended to read as follows:

The passport to ((college promise)) careers program is created. The purpose of the program is:

(1) To encourage current and former foster care youth and unaccompanied youth experiencing homelessness to prepare for, ~~((attend))~~ enroll in, and successfully complete higher education or a registered apprenticeship or preapprenticeship program;

(2) To improve the high school graduation outcomes of foster youth and unaccompanied youth experiencing homelessness through coordinated P-20 and child welfare outreach, intervention, and planning; and

(3) To improve postsecondary outcomes by providing current and former foster care youth and unaccompanied youth who have experienced homelessness with the educational planning, information, institutional support, and direct financial resources necessary for them to succeed in either higher education or a registered apprenticeship or preapprenticeship program.

Sec. 3. RCW 28B.117.020 and 2012 c 163 s 3 are each amended to read as follows:

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

(1) "Apprentice" means a person enrolled in a state-approved, federally registered, or reciprocally recognized apprenticeship program.

(2) "Apprenticeship" means an apprenticeship training program approved or recognized by the state apprenticeship council or similar federal entity.

(3) "Cost of attendance" means the cost associated with attending a particular institution of higher education as determined by the office, including but not limited to tuition, fees, room, board, books, personal expenses, and transportation, plus the cost of reasonable additional expenses incurred by an eligible student and approved by a financial aid administrator at the student's school of attendance.

~~((2))~~ (4) "Federal foster care system" means the foster care program under the federal unaccompanied refugee minors program, Title 8 U.S.C. Sec. 1522 of the immigration and nationality act.

(5) "Financial need" means the difference between a student's cost of attendance and the student's total family contribution as determined by the method prescribed by the United States department of education.

~~((3))~~ (6) "Homeless" or "homelessness" means without a fixed, regular, and adequate nighttime residence as set forth in the federal McKinney-Vento homeless assistance act, 42 U.S.C. Sec. 11301 et seq.

(7) "Independent college or university" means a private, nonprofit institution of higher education, open to residents of the state, providing programs of education beyond the high school level leading to at least the baccalaureate degree, and accredited by the Northwest association of schools and colleges, and other institutions as may be developed that are approved by the ~~((board))~~ student achievement council as meeting equivalent standards as those institutions accredited under this section.

~~((4))~~ (8) "Institution of higher education" means any institution eligible to and participating in the state need grant program.

~~((5))~~ (9) "Occupational-specific costs" means the costs associated with entering an apprenticeship or preapprenticeship, including but not limited to fees, tuition for classes, work clothes, rain gear, boots, occupation-specific tools.

(10) "Office" means the office of student financial assistance.

~~((6))~~ (11) "Preapprenticeship" means an apprenticeship preparation program recognized by the state apprenticeship council and as defined in RCW 28C.18.162.

(12) "Program" means the passport to ~~((college promise))~~ careers program created in this chapter.

(13) "State foster care system" means out-of-home care pursuant to a dependency and includes the placement of dependents from other states who are placed in Washington pursuant to orders issued under the interstate compact on the placement of children, chapter 26.34 RCW.

(14) "Tribal court" has the same meaning as defined in RCW 13.38.040.

(15) "Tribal foster care system" means an out-of-home placement under a dependency order from a tribal court.

(16) "Unaccompanied" means a youth or young adult experiencing homelessness while not in the physical custody of a parent or guardian.

Sec. 4. RCW 28B.117.030 and 2013 c 182 s 8 are each amended to read as follows:

(1) The office shall design and, to the extent funds are appropriated for this purpose, implement, ~~((a))~~ passport to careers with two programmatic pathways: The passport to college promise program and the passport to apprenticeship opportunities program. Both programs ~~((of))~~ offer supplemental scholarship and student assistance for students who ~~((have emancipated from))~~ were under the care of the state foster care system, tribal foster care system, or federal foster care system ~~((after having spent at least one year in care)), and verified unaccompanied youth or young adults who have experienced homelessness.~~

(2) The office shall convene and consult with an advisory committee to assist with program design and implementation. The committee shall include but not be limited to former foster care and unaccompanied homeless youth and their advocates; representatives from the state board for community and technical colleges, ~~((and from))~~ public and private agencies that assist current and former foster care recipients and unaccompanied youth or young adults experiencing homelessness in their transition to adulthood; ~~((and))~~ student support specialists from public and private colleges and universities; the state workforce training and education coordinating board; the employment security department; and the state apprenticeship council.

(3) To the extent that sufficient funds have been appropriated for this purpose, a student is eligible for assistance under this section if he or she:

(a) ~~((Spent at least one year in foster care subsequent to his or her sixteenth birthday;))~~ (i) Was in the care of the state foster care system, tribal foster care system, or federal foster care system in Washington state at any time before age twenty-one subsequent to the following:

(A) Age fifteen as of July 1, 2018;

(B) Age fourteen as of July 1, 2019; and

(C) Age thirteen as of July 1, 2020; or

(ii) Beginning July 1, 2019, was verified on or after July 1st of the prior academic year as an unaccompanied youth experiencing homelessness, before age twenty-one;

(b) ~~((Meets one of the following three requirements:~~

(i) Emancipated from foster care on or after January 1, 2007;

(ii) Enrolls in extended foster care; or

(iii) Achieves a permanent plan after age seventeen and one-half years;

~~(e))~~ Is a resident student, as defined in RCW 28B.15.012(2), or if unable to establish residency because of homelessness or placement in out-of-state foster care under the interstate compact for the placement of children, has residency determined through verification by the office;

~~((d))~~ (c) Is enrolled with or will enroll on at least a half-time basis with an institution of higher education or a registered apprenticeship or recognized preapprenticeship in Washington state by the age of twenty-one;

~~((e))~~ (d) Is making satisfactory academic progress toward the completion of a degree, ~~((e))~~ certificate program, or registered apprenticeship or recognized preapprenticeship, if receiving supplemental scholarship assistance;

~~((f))~~ (e) Has not earned a bachelor's or professional degree; and

~~((g))~~ (f) Is not pursuing a degree in theology.

(4) The office shall define a process for verifying unaccompanied homeless status for determining eligibility under subsection (3)(a)(ii) of this section. The office may use a letter from the following persons or entities to provide verification: A high school or school district McKinney-Vento liaison; the director or designated staff member of an emergency shelter, transitional housing program, or homeless youth drop-in center; or other similar professional case manager or school employee. Students who have no formal connection with such a professional may also submit to the office an essay that describes their experience with homelessness and the barriers it created to their academic progress. The office may consider this essay in lieu of a letter of homelessness determination and may interview the student if further information is needed to verify eligibility.

(5) A passport to college promise program is created.

(a) A passport to college promise scholarship under this section:

~~((a))~~ (i) Shall not exceed resident undergraduate tuition and fees at the highest-priced public institution of higher education in the state; and

~~((b))~~ (ii) Shall not exceed the student's financial need, ~~((less a reasonable self-help amount defined by the office,))~~ when combined with all other public and private grant, scholarship, and waiver assistance the student receives.

~~((c))~~ (b) An eligible student may receive a passport to college promise scholarship under this section for a maximum of five years after the student first enrolls with an institution of higher education or until the student turns age twenty-six, whichever occurs first. If a student turns age twenty-six during an academic year, and would otherwise be eligible for a scholarship under this section, the student shall continue to be eligible for a scholarship for the remainder of the academic year.

~~((d))~~ (c) The office, in consultation with and with assistance from the state board for community and technical colleges, shall perform an annual analysis to verify that those institutions of higher education at which students have received a scholarship under this section have awarded the student all available need-based and merit-based grant and scholarship aid for which the student qualifies.

~~((e))~~ (d) In designing and implementing the passport to college promise student support program under this section, the office, in consultation with and with assistance from the state board for community and technical colleges, shall ensure that a participating college or university:

~~((a))~~ (i) Has a viable plan for identifying students eligible for assistance under this section, for tracking and enhancing their academic progress, for addressing their unique needs for assistance during school vacations and academic interims, and for linking them to appropriate sources of assistance in their transition to adulthood;

~~((b))~~ (ii) Receives financial and other incentives for achieving measurable progress in the recruitment, retention, and graduation of eligible students.

(e) To the extent funds are appropriated for this specific purpose, the office shall contract with at least one nongovernmental entity to provide services to support effective program implementation, resulting in increased postsecondary completion rates for passport scholars.

(6) The passport to apprenticeship opportunities program is created. The office shall:

(a) Identify students and applicants who are eligible for services under RCW 28B.117.030 through coordination of certain agencies as detailed in RCW 28B.117.040;

(b) Provide financial assistance through the nongovernmental entity or entities in section 8 of this act for registered apprenticeship and recognized preapprenticeship entrance requirements and occupational-specific costs that does not exceed the individual's financial need; and

(c) Extend financial assistance to any eligible applicant for a maximum of six years after first enrolling with a registered apprenticeship or recognized preapprenticeship, or until the applicant turns twenty-six, whichever occurs first.

(7) Recipients may utilize passport to college promise or passport to apprenticeship opportunities at different times, but not concurrently. The total award an individual may receive in any combination of the programs shall not exceed the equivalent amount that would have been awarded for the individual to attend a public university for five years with the highest annual tuition and state-mandated fees in the state.

Sec. 5. RCW 28B.117.040 and 2012 c 163 s 4 are each amended to read as follows:

Effective operation of the passport to ~~((college promise))~~ careers program requires early and accurate identification of former foster care youth and unaccompanied youth experiencing homelessness so that they can be linked to the financial and other assistance that will help them succeed in college or in a registered apprenticeship or recognized preapprenticeship. To that end:

(1) All institutions of higher education that receive funding for student support services under RCW 28B.117.030 shall include on their applications for admission or on their registration materials a question asking whether the applicant has been in state, tribal, or federal foster care in Washington state ~~((for at least one year since his or her sixteenth birthday together))~~ or experienced unaccompanied homelessness under the parameters in subsection (3)(a) of this section, as determined by the office, with an explanation that financial and support services may be available. All other institutions of higher education are strongly encouraged to include such a question and explanation. No institution may consider whether an applicant may be eligible for a scholarship or student support services under this chapter when deciding whether the applicant will be granted admission.

(2) With substantial input from the office of the superintendent of public instruction, the department of social and health services and the department of children, youth, and families shall devise and implement procedures for efficiently, promptly, and accurately identifying students and applicants who are eligible for services under RCW 28B.117.030, and for sharing that information with the office (~~and with~~), the institutions of higher education, and the nongovernmental entity or entities identified in RCW 28B.117.030(5)(e), 28B.77.250, and section 8 of this act. The procedures shall include appropriate safeguards for consent by the applicant or student before disclosure.

Sec. 6. RCW 28B.77.250 and 2016 c 71 s 5 are each amended to read as follows:

(1) To the extent funds are appropriated for this purpose, the council, with input from the office of the superintendent of public instruction; the department of children, youth, and families; the department of commerce office of homeless youth prevention and protection programs; and the department of social and health services, shall contract with at least one nongovernmental entity to develop, implement, and administer a program of supplemental educational transition planning for youth in foster care and unaccompanied youth experiencing homelessness in Washington state.

(2) The nongovernmental entity or entities chosen by the council shall have demonstrated success in working with foster care and unaccompanied homeless youth and assisting foster care and unaccompanied homeless youth in successfully making the transition from high school to a postsecondary plan, including postsecondary enrollment, career, or service.

(3) The selected nongovernmental entity or entities shall provide supplemental educational transition planning to foster care and unaccompanied homeless youth in Washington state. Youth eligible for referral are not currently served by programs under RCW 28A.300.592, dependent pursuant to chapter 13.34 RCW, age thirteen through twenty-one, and remain eligible for continuing service following fulfillment of the permanent plan and through initiation of a postsecondary plan. After high school completion, services are concluded within a time period specified in the contract to pursue engagement of continuing postsecondary support services provided by local education agencies, postsecondary education, community-based programs, or the passport to (~~college promise~~) careers program. The nongovernmental entity or entities must facilitate the educational progress, graduation, and postsecondary plan initiation of eligible youth. The contract must be outcome driven with a stated goal of improving the graduation rates and postsecondary plan initiation of eligible youth by two percent per year over five school year periods starting with the 2016-17 school year and ending with the 2021-22 school year. With each new contract, a baseline must be established at the end of the first year of service provision.

(4) The supplemental transition planning shall include:

(a) Consultation with schools and the department of social and health services' case workers to develop educational plans for and with participating youth;

(b) Age-specific developmental and logistical tasks to be accomplished for high school and postsecondary success;

(c) Facilitating youth participation with appropriate school and local resources that may assist in educational access and success; ~~((and))~~

(d) Coordinating youth, caregivers, schools, and social workers to support youth progress in the educational system; and

(e) Establishing postsecondary plan initiation in coordination with the passport to careers program.

(5) The selected nongovernmental entity or entities may be colocated in the offices of the department of social and health services to provide timely consultation. These entities must have access to all paper and electronic education records and case information pertinent to the educational planning and services of youth referred and are subject to RCW 13.50.010 and 13.50.100.

(6) The contracted nongovernmental entity or entities must report outcomes to the council and the department of social and health services semiannually ~~((beginning on December 1, 2016)).~~

(7) For purposes of this section, "homeless" and "unaccompanied" have the same meanings as in RCW 28B.117.020.

Sec. 7. RCW 28B.117.050 and 2011 1st sp.s. c 11 s 223 are each amended to read as follows:

(1) ~~To the extent funds are appropriated for this purpose, the office~~~~((with input from the state board for community and technical colleges, the foster care partnership, and institutions of higher education,))~~ shall develop and maintain an internet web site and outreach program to serve as a comprehensive portal for foster care youth and unaccompanied youth or young adults who have experienced homelessness in Washington state to obtain information regarding higher education ~~((including, but not necessarily))~~ and registered apprenticeship and recognized preapprenticeship programs. In developing the web site and conducting the outreach program, the office shall get input from community and technical colleges; the foster care partnership; institutions of higher education; the employment security department; the state apprenticeship and training council; the workforce training and education coordinating board; department of commerce office of homeless youth prevention and protection programs; department of children, youth, and families; the department of licensing; and the department of labor and industries. The outreach program and web site shall include, but not be limited to:

(a) Academic, social, family, financial, and logistical information important to successful postsecondary educational success;

(b) How and when to obtain and complete college applications;

(c) How and when to apply for a registered apprenticeship or preapprenticeship program;

(d) What academic subject matter prerequisites, if any, are generally required for acceptance to an institute of higher education, a registered apprenticeship, or a preapprenticeship program;

(e) What college placement tests, if any, are generally required for admission to college and when and how to register for such tests;

~~((d))~~ (f) How and when to obtain and complete a federal free application for federal student aid (FAFSA) or if ineligible to apply for the FAFSA, the state financial aid application approved by the office; and

~~((e))~~ (g) Detailed sources of financial aid and assistance likely available to eligible former foster care and unaccompanied homeless youth, including the financial aid and assistance provided by this chapter.

(2) The office shall determine whether to design, build, and operate such program and web site directly or to use, support, and modify existing web sites created by government or nongovernmental entities for a similar purpose.

NEW SECTION. Sec. 8. A new section is added to chapter 28B.117 RCW to read as follows:

Subject to availability of amounts appropriated for this specific purpose, the office, with approval from the employment security department and the apprenticeship and training council pursuant to chapter 49.04 RCW, shall contract with at least one nongovernmental entity to provide quality training, employment navigation, and supportive services to disadvantaged populations seeking to complete apprenticeships and preapprenticeships through the passport to apprenticeship opportunities program. The nongovernmental entity shall also disburse state financial assistance under RCW 28B.117.030(5) to meet registered apprenticeship and preapprenticeship entrance requirements and occupational-specific costs.

NEW SECTION. Sec. 9. The legislature strongly recommends that the entities selected in sections 6 and 8 of this act coordinate on technological models to keep the students they serve engaged.

Sec. 10. RCW 28B.76.526 and 2016 c 241 s 201 are each amended to read as follows:

The Washington opportunity pathways account is created in the state treasury. Expenditures from the account may be used only for programs in chapter 28A.710 RCW (charter schools), chapter 28B.12 RCW (state work-study), chapter 28B.50 RCW (opportunity grant), RCW 28B.76.660 (Washington scholars award), RCW 28B.76.670 (Washington award for vocational excellence), chapter 28B.92 RCW (state need grant program), chapter 28B.105 RCW (GET ready for math and science scholarship), chapter 28B.117 RCW (passport to ~~(college promise)~~ careers), chapter 28B.118 RCW (college bound scholarship), chapter 28B.119 RCW (Washington promise scholarship), and chapter 43.215 RCW (early childhood education and assistance program).

NEW SECTION. Sec. 11. A new section is added to chapter 28B.117 RCW to read as follows:

This act shall be known and cited as the passport to careers act.

NEW SECTION. Sec. 12. The following acts or parts of acts are each repealed:

(1) RCW 28B.117.070 (Reports—Recommendations) and 2012 c 163 s 5, 2011 1st sp.s. c 11 s 225, & 2007 c 314 s 8;

(2) RCW 28B.117.901 (Expiration of chapter) and 2012 c 163 s 13 & 2007 c 314 s 10;

(3) RCW 28B.117.902 (Short title—2012 c 163) and 2012 c 163 s 14; and

(4) 2013 c 182 s 11 (uncodified).

Passed by the Senate March 6, 2018.

Passed by the House February 28, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 233

[Senate Bill 6278]

SEED CERTIFICATION FEES--USE

AN ACT Relating to the use of seed certification fees; and amending RCW 15.49.370.

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

Sec. 1. RCW 15.49.370 and 1981 c 297 s 14 are each amended to read as follows:

The department shall have the authority to:

(1) Sample, inspect, make analysis of, and test seeds distributed within this state at such time and place and to such extent as it may deem necessary to determine whether such seeds are in compliance with the provisions of this chapter. The methods of sampling and analysis shall be those adopted by the department from officially recognized sources. The department, in determining for administrative purposes whether seeds are in violation of this chapter, shall be guided by records, and by the official sample obtained and analyzed as provided for in this section. Analysis of an official sample, by the department, shall be accepted as prima facie evidence by any court of competent jurisdiction.

(2) Enter any dealer's or seed labeling registrant's premises at all reasonable times in order to have access to seeds and to records. This includes the determination of the weight of packages and bulk shipments.

(3) Adopt and enforce regulations for certifying seeds, and shall fix and collect fees for such service. Fees authorized under this subsection may be used for services involving breeder seed, foundation seed, registered seed, and certified seed. The director of the department may appoint persons as agents for the purpose of assisting in the certification of seeds.

(4) Adopt and enforce regulations for inspecting, grading, and certifying growing crops of seeds; inspect, grade, and issue certificates upon request; and fix and collect fees for such services.

(5) Make purity, germination and other tests of seed on request, and fix and collect charges for the tests made.

(6) Establish and maintain seed testing facilities, employ qualified persons, establish by rule special assessments as needed, and incur such expenses as may be necessary to carry out the provisions of this chapter.

(7) Adopt a list of the prohibited and restricted noxious weed seeds.

(8) Publish reports of official seed inspections, seed certifications, laboratory statistics, verified violations of this chapter, and other seed branch activities which do not reveal confidential information regarding individual company operations or production.

(9) Deny, suspend, or revoke licenses, permits and certificates provided for in this chapter subsequent to a hearing, subject to the provisions of chapter 34.05 RCW (Administrative Procedure Act) as enacted or hereafter amended, in any case in which the department finds that there has been a failure or refusal to comply with the provisions of this chapter or regulations adopted hereunder.

Passed by the Senate February 13, 2018.

Passed by the House February 27, 2018.

Approved by the Governor March 22, 2018.
 Filed in Office of Secretary of State March 26, 2018.

CHAPTER 234

[Senate Bill 6298]

DOMESTIC VIOLENCE HARASSMENT--FIREARM POSSESSION

AN ACT Relating to adding domestic violence harassment to the list of offenses for which a person is prohibited from possessing a firearm; and amending RCW 9.41.040.

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

Sec. 1. RCW 9.41.040 and 2017 c 233 s 4 are each amended to read as follows:

(1)(a) A person, whether an adult or juvenile, is guilty of the crime of unlawful possession of a firearm in the first degree, if the person owns, has in his or her possession, or has in his or her control any firearm after having previously been convicted or found not guilty by reason of insanity in this state or elsewhere of any serious offense as defined in this chapter.

(b) Unlawful possession of a firearm in the first degree is a class B felony punishable according to chapter 9A.20 RCW.

(2)(a) A person, whether an adult or juvenile, is guilty of the crime of unlawful possession of a firearm in the second degree, if the person does not qualify under subsection (1) of this section for the crime of unlawful possession of a firearm in the first degree and the person owns, has in his or her possession, or has in his or her control any firearm:

(i) After having previously been convicted or found not guilty by reason of insanity in this state or elsewhere of any felony not specifically listed as prohibiting firearm possession under subsection (1) of this section, or any of the following crimes when committed by one family or household member against another, committed on or after July 1, 1993: Assault in the fourth degree, coercion, stalking, reckless endangerment, criminal trespass in the first degree, or violation of the provisions of a protection order or no-contact order restraining the person or excluding the person from a residence (RCW 26.50.060, 26.50.070, 26.50.130, or 10.99.040);

(ii) After having previously been convicted or found not guilty by reason of insanity in this state or elsewhere of harassment when committed by one family or household member against another, committed on or after the effective date of this section;

(iii) During any period of time that the person is subject to a court order issued under chapter 7.90, 7.92, 9A.46, 10.14, 10.99, 26.09, 26.10, 26.26, or 26.50 RCW that:

(A) Was issued after a hearing of which the person received actual notice, and at which the person had an opportunity to participate;

(B) Restrains the person from harassing, stalking, or threatening an intimate partner of the person or child of the intimate partner or person, or engaging in other conduct that would place an intimate partner in reasonable fear of bodily injury to the partner or child; and

(C)(I) Includes a finding that the person represents a credible threat to the physical safety of the intimate partner or child; and

(II) By its terms, explicitly prohibits the use, attempted use, or threatened use of physical force against the intimate partner or child that would reasonably be expected to cause bodily injury;

~~((iii))~~ (iv) After having previously been involuntarily committed for mental health treatment under RCW 71.05.240, 71.05.320, 71.34.740, 71.34.750, chapter 10.77 RCW, or equivalent statutes of another jurisdiction, unless his or her right to possess a firearm has been restored as provided in RCW 9.41.047;

~~((iv))~~ (v) If the person is under eighteen years of age, except as provided in RCW 9.41.042; and/or

~~((v))~~ (vi) If the person is free on bond or personal recognizance pending trial, appeal, or sentencing for a serious offense as defined in RCW 9.41.010.

(b) (a)~~((iii))~~ (iii) of this subsection does not apply to a sexual assault protection order under chapter 7.90 RCW if the order has been modified pursuant to RCW 7.90.170 to remove any restrictions on firearm purchase, transfer, or possession.

(c) Unlawful possession of a firearm in the second degree is a class C felony punishable according to chapter 9A.20 RCW.

(3) Notwithstanding RCW 9.41.047 or any other provisions of law, as used in this chapter, a person has been "convicted", whether in an adult court or adjudicated in a juvenile court, at such time as a plea of guilty has been accepted, or a verdict of guilty has been filed, notwithstanding the pendency of any future proceedings including but not limited to sentencing or disposition, post-trial or post-fact-finding motions, and appeals. Conviction includes a dismissal entered after a period of probation, suspension or deferral of sentence, and also includes equivalent dispositions by courts in jurisdictions other than Washington state. A person shall not be precluded from possession of a firearm if the conviction has been the subject of a pardon, annulment, certificate of rehabilitation, or other equivalent procedure based on a finding of the rehabilitation of the person convicted or the conviction or disposition has been the subject of a pardon, annulment, or other equivalent procedure based on a finding of innocence. Where no record of the court's disposition of the charges can be found, there shall be a rebuttable presumption that the person was not convicted of the charge.

(4)(a) Notwithstanding subsection (1) or (2) of this section, a person convicted or found not guilty by reason of insanity of an offense prohibiting the possession of a firearm under this section other than murder, manslaughter, robbery, rape, indecent liberties, arson, assault, kidnapping, extortion, burglary, or violations with respect to controlled substances under RCW 69.50.401 and 69.50.410, who received a probationary sentence under RCW 9.95.200, and who received a dismissal of the charge under RCW 9.95.240, shall not be precluded from possession of a firearm as a result of the conviction or finding of not guilty by reason of insanity. Notwithstanding any other provisions of this section, if a person is prohibited from possession of a firearm under subsection (1) or (2) of this section and has not previously been convicted or found not guilty by reason of insanity of a sex offense prohibiting firearm ownership under subsection (1) or (2) of this section and/or any felony defined under any law as a class A felony or with a maximum sentence of at least twenty years, or both, the individual may petition a court of record to have his or her right to possess a firearm restored:

(i) Under RCW 9.41.047; and/or

(ii)(A) If the conviction or finding of not guilty by reason of insanity was for a felony offense, after five or more consecutive years in the community without being convicted or found not guilty by reason of insanity or currently charged with any felony, gross misdemeanor, or misdemeanor crimes, if the individual has no prior felony convictions that prohibit the possession of a firearm counted as part of the offender score under RCW 9.94A.525; or

(B) If the conviction or finding of not guilty by reason of insanity was for a nonfelony offense, after three or more consecutive years in the community without being convicted or found not guilty by reason of insanity or currently charged with any felony, gross misdemeanor, or misdemeanor crimes, if the individual has no prior felony convictions that prohibit the possession of a firearm counted as part of the offender score under RCW 9.94A.525 and the individual has completed all conditions of the sentence.

(b) An individual may petition a court of record to have his or her right to possess a firearm restored under (a) of this subsection (4) only at:

(i) The court of record that ordered the petitioner's prohibition on possession of a firearm; or

(ii) The superior court in the county in which the petitioner resides.

(5) In addition to any other penalty provided for by law, if a person under the age of eighteen years is found by a court to have possessed a firearm in a vehicle in violation of subsection (1) or (2) of this section or to have committed an offense while armed with a firearm during which offense a motor vehicle served an integral function, the court shall notify the department of licensing within twenty-four hours and the person's privilege to drive shall be revoked under RCW 46.20.265, unless the offense is the juvenile's first offense in violation of this section and has not committed an offense while armed with a firearm, an unlawful possession of a firearm offense, or an offense in violation of chapter 66.44, 69.52, 69.41, or 69.50 RCW.

(6) Nothing in chapter 129, Laws of 1995 shall ever be construed or interpreted as preventing an offender from being charged and subsequently convicted for the separate felony crimes of theft of a firearm or possession of a stolen firearm, or both, in addition to being charged and subsequently convicted under this section for unlawful possession of a firearm in the first or second degree. Notwithstanding any other law, if the offender is convicted under this section for unlawful possession of a firearm in the first or second degree and for the felony crimes of theft of a firearm or possession of a stolen firearm, or both, then the offender shall serve consecutive sentences for each of the felony crimes of conviction listed in this subsection.

(7) Each firearm unlawfully possessed under this section shall be a separate offense.

(8) For purposes of this section, "intimate partner" includes: A spouse, a domestic partner, a former spouse, a former domestic partner, a person with whom the restrained person has a child in common, or a person with whom the restrained person has cohabitated or is cohabitating as part of a dating relationship.

Passed by the Senate March 5, 2018.

Passed by the House February 27, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 235

[Substitute Senate Bill 6317]

COMMERCIAL FISHING LICENSE FEES

AN ACT Relating to increasing commercial fishing license fees for nonresidents; amending RCW 77.65.150, 77.65.160, 77.65.170, 77.65.190, 77.65.200, 77.65.210, 77.65.220, 77.65.280, 77.65.340, 77.65.390, 77.65.440, 77.65.480, 77.65.510, and 77.12.453; and providing an effective date.

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

Sec. 1. RCW 77.65.150 and 2017 3rd sp.s. c 8 s 21 are each amended to read as follows:

(1) The licenses and permits and their annual license fees, application fees, and surcharges are:

	License or Permit	Annual Fee (RCW 77.95.090 Surcharge) (RCW 77.12.702 Surcharge)	Applica- tion Fee	Governing Section
		Resident	Nonresident	
(a)	Non-salmon charter	\$375 (plus \$35 for RCW 77.12.702 Surcharge)	(\$450) <u>\$760</u> (plus \$35 for RCW 77.12.702 Surcharge)	\$ 70
(b)	Salmon charter	\$460 (plus \$100 plus \$35 for RCW 77.12.702 Surcharge)	(\$535) <u>\$845</u> (plus \$100 plus \$35 for RCW 77.12.702 Surcharge)	\$105 RCW 77.70.050
(c)	Salmon angler	\$ 0	\$ 0	\$ 0 RCW 77.70.060

(2) A salmon charter license designating a vessel is required to operate a charter boat from which persons may, for a fee, fish for salmon, other fish, and shellfish. The director may issue a salmon charter license only to a person who meets the qualifications of RCW 77.70.050.

(3) A nonsalmon charter license designating a vessel is required to operate a charter boat from which persons may, for a fee, fish for shellfish and fish other than salmon or albacore tuna.

(4)(a) "Charter boat" means a vessel from which persons may, for a fee, fish for food fish or shellfish for personal use in those state waters set forth in (b) of this subsection. "Charter boat" also means a vessel from which persons may, for a fee, fish for fish or shellfish for personal use in offshore waters or in the waters of other states. The director may specify by rule when a vessel is a "charter boat" within this definition.

(b) A person may not operate a vessel from which persons may, for a fee, fish for food fish or shellfish in Puget Sound, Grays Harbor, Willapa Bay, Pacific Ocean waters, Lake Washington, or the Columbia river below the bridge at Longview unless the vessel is designated on a charter boat license.

(5) A charter boat licensed in Oregon may fish without a Washington charter license under the same rules as Washington charter boat operators in ocean waters within the jurisdiction of Washington state from the southern border of the state of Washington to Leadbetter Point, as long as the Oregon vessel does not take on or discharge passengers for any purpose from any Washington port, the Washington shore, or a dock, landing, or other point in Washington. The provisions of this subsection shall be in effect as long as the state of Oregon has reciprocal laws and regulations.

(6) A salmon charter license under subsection (1)(b) of this section may be renewed if the license holder notifies the department by May 1st of that year that he or she will not participate in the fishery during that calendar year. The license holder must pay the one hundred dollar enhancement surcharge, a thirty-five dollar surcharge to be deposited in the rockfish research account created in RCW 77.12.702, plus a one hundred five dollar application fee, in order to be considered a valid renewal and eligible to renew the license the following year.

Sec. 2. RCW 77.65.160 and 2017 3rd sp.s. c 8 s 22 are each amended to read as follows:

(1) The following commercial salmon fishery licenses are required for the license holder to use the specified gear to fish for salmon in state waters. Only a person who meets the qualifications of RCW 77.70.090 may hold a license listed in this subsection. The licenses and their annual license fees, application fees, and surcharges under RCW 77.95.090 are:

	Fishery License	Resident Fee	Nonresident Fee	Surcharge	Application Fee
(a)	Salmon Gill Net—Grays Harbor-Columbia river	\$380	(\$455) <u>\$765</u>	plus \$100	\$105
(b)	Salmon Gill Net—Puget Sound	\$380	(\$455) <u>\$765</u>	plus \$100	\$105
(c)	Salmon Gill Net—Willapa Bay-Columbia river	\$380	(\$455) <u>\$765</u>	plus \$100	\$105
(d)	Salmon purse seine	\$545	(\$620) <u>\$930</u>	plus \$100	\$105
(e)	Salmon reef net	\$380	(\$455) <u>\$765</u>	plus \$100	\$105
(f)	Salmon troll	\$380	(\$455) <u>\$765</u>	plus \$100	\$105

(2) A license issued under this section authorizes no taking or delivery of salmon or other food fish unless a vessel is designated under RCW 77.65.100.

(3) Holders of commercial salmon fishery licenses may retain incidentally caught food fish other than salmon, subject to rules of the department.

(4) A salmon troll license includes a salmon delivery license.

(5) A salmon gill net license authorizes the taking of salmon only in the geographical area for which the license is issued. The geographical designations in subsection (1) of this section have the following meanings:

(a) "Puget Sound" includes waters of the Strait of Juan de Fuca, Georgia Strait, Puget Sound and all bays, inlets, canals, coves, sounds, and estuaries lying easterly and southerly of the international boundary line and a line at the entrance to the Strait of Juan de Fuca projected northerly from Cape Flattery to the lighthouse on Tatoosh Island and then to Bonilla Point on Vancouver Island.

(b) "Grays Harbor-Columbia river" includes waters of Grays Harbor and tributary estuaries lying easterly of a line projected northerly from Point Chehalis Light to Point Brown and those waters of the Columbia river and tributary sloughs and estuaries easterly of a line at the entrance to the Columbia river projected southerly from the most westerly point of the North jetty to the most westerly point of the South jetty.

(c) "Willapa Bay-Columbia river" includes waters of Willapa Bay and tributary estuaries and easterly of a line projected northerly from Leadbetter Point to the Cape Shoalwater tower and those waters of the Columbia river and tributary sloughs described in (b) of this subsection.

(6) A commercial salmon troll fishery license may be renewed under this section if the license holder notifies the department by May 1st of that year that he or she will not participate in the fishery during that calendar year. A commercial salmon gill net, reef net, or seine fishery license may be renewed under this section if the license holder notifies the department before the third Monday in September of that year that he or she will not participate in the fishery during that calendar year. The license holder must pay the one hundred dollar enhancement surcharge, plus a one hundred five dollar application fee before the third Monday in September, in order to be considered a valid renewal and eligible to renew the license the following year.

(7) Notwithstanding the annual license fees and surcharges established in subsection (1) of this section, a person who holds a resident commercial salmon fishery license shall pay an annual license fee of one hundred dollars plus the surcharge and application fee if all of the following conditions are met:

(a) The license holder is at least seventy-five years of age;

(b) The license holder owns a fishing vessel and has fished with a resident commercial salmon fishery license for at least thirty years; and

(c) The commercial salmon fishery license is for a geographical area other than the Puget Sound.

An alternate operator may not be designated for a license renewed at the one hundred dollar annual fee under this subsection (7).

Sec. 3. RCW 77.65.170 and 2017 3rd sp.s. c 8 s 23 are each amended to read as follows:

(1) A salmon delivery license is required for a commercial fishing vessel to deliver salmon taken for commercial purposes in offshore waters to a place or port in the state. As used in this section, "deliver" and "delivery" mean arrival at a place or port, and include arrivals from offshore waters to waters within the state and arrivals ashore from offshore waters. The annual fee for a salmon delivery license is four hundred thirty dollars for residents and (~~five hundred five~~) eight hundred fifteen dollars for nonresidents. The application fee for a salmon delivery license is one hundred five dollars. The annual surcharge under

RCW 77.95.090 is one hundred dollars for each license. Holders of nonlimited entry delivery licenses issued under RCW 77.65.210 may apply the nonlimited entry delivery license fee against the salmon delivery license fee.

(2) Only a person who meets the qualifications established in RCW 77.70.090 may hold a salmon delivery license issued under this section.

(3) A salmon delivery license authorizes no taking of salmon or other fish or shellfish from the waters of the state.

(4) If the director determines that the operation of a vessel under a salmon delivery license results in the depletion or destruction of the state's salmon resource or the delivery into this state of salmon products prohibited by law, the director may revoke the license under the procedures of chapter 34.05 RCW.

Sec. 4. RCW 77.65.190 and 2017 3rd sp.s. c 8 s 24 are each amended to read as follows:

A person who does not qualify for a license under RCW 77.70.090 shall obtain a nontransferable emergency salmon delivery license to make one delivery from a commercial fishing vessel of salmon taken for commercial purposes in offshore waters. As used in this section, "delivery" means arrival at a place or port, and include arrivals from offshore waters to waters within the state and arrivals ashore from offshore waters. The director shall not issue an emergency salmon delivery license unless, as determined by the director, a bona fide emergency exists. The license fee is two hundred seventy-five dollars for residents and (~~three hundred fifty~~) six hundred sixty dollars for nonresidents. The application fee is one hundred five dollars. An applicant for an emergency salmon delivery license shall designate no more than one vessel that will be used with the license. Alternate operator licenses are not required of persons delivering salmon under an emergency salmon delivery license. Emergency salmon delivery licenses are not renewable.

Sec. 5. RCW 77.65.200 and 2017 3rd sp.s. c 8 s 25 are each amended to read as follows:

(1) This section establishes commercial fishery licenses required for food fish fisheries and the annual fees for those licenses. As used in this section, "food fish" does not include salmon. The director may issue a limited-entry commercial fishery license only to a person who meets the qualifications established in applicable governing sections of this title.

Fishery (Governing section(s))	Annual Fee		Application Fee	Vessel Required?	Limited Entry?
	Resident	Nonresident			
(a) Baitfish Lampara	\$335	(\$410) <u>\$720</u>	\$ 70	Yes	No
(b) Baitfish purse seine	\$380	(\$655) <u>\$765</u>	\$ 70	Yes	No
(c) Bottom fish jig	\$180	(\$255) <u>\$565</u>	\$ 70	Yes	No
(d) Bottom fish pot	\$180	(\$255) <u>\$565</u>	\$ 70	Yes	No
(e) Bottom fish troll	\$180	(\$255) <u>\$565</u>	\$ 70	Yes	No
(f) Carp	\$180	(\$255) <u>\$565</u>	\$ 70	No	No
(g) Columbia river smelt	\$430	(\$505) <u>\$815</u>	\$ 70	No	No

Fishery (Governing section(s))	Annual Fee	Application Fee	Vessel Required?	Limited Entry?
(h) Emerging commercial fishery (RCW 77.70.160 and 77.65.400)	\$335 ((\$410)) <u>\$720</u>	\$105	Determined by rule	Determined by rule
(i) Food fish drag seine	\$180 ((\$255)) <u>\$565</u>	\$ 70	Yes	No
(j) Food fish set line	\$180 ((\$255)) <u>\$565</u>	\$ 70	Yes	No
(k) Herring dip bag net (RCW 77.70.120)	\$325 ((\$400)) <u>\$710</u>	\$ 70	Yes	Yes
(l) Herring drag seine (RCW 77.70.120)	\$325 ((\$400)) <u>\$710</u>	\$ 70	Yes	Yes
(m) Herring gill net (RCW 77.70.120)	\$325 ((\$400)) <u>\$710</u>	\$105	Yes	Yes
(n) Herring Lampara (RCW 77.70.120)	\$325 ((\$400)) <u>\$710</u>	\$ 70	Yes	Yes
(o) Herring purse seine (RCW 77.70.120)	\$325 ((\$400)) <u>\$710</u>	\$105	Yes	Yes
(p) Herring spawn-on-kelp (RCW 77.70.210)	N/A N/A	N/A	Yes	Yes
(q) Sardine purse seine (RCW 77.70.480)	\$335 ((\$410)) <u>\$720</u>	\$105	Yes	Yes
(r) Sardine purse seine temporary (RCW 77.70.480)	\$335 ((\$410)) <u>\$720</u>	\$105	Yes	No
(s) Smelt dip bag net	\$180 ((\$255)) <u>\$565</u>	\$ 70	No	No
(t) Smelt gill net	\$430 ((\$505)) <u>\$815</u>	\$ 70	Yes	No
(u) Whiting-Puget Sound (RCW 77.70.130)	\$345 ((\$420)) <u>\$730</u>	\$105	Yes	Yes

(2) The director may by rule determine the species of food fish that may be taken with the commercial fishery licenses established in this section, the gear that may be used with the licenses, and the areas or waters in which the licenses may be used. Where a fishery license has been established for a particular species, gear, geographical area, or combination thereof, a more general fishery license may not be used to take food fish in that fishery.

Sec. 6. RCW 77.65.210 and 2017 3rd sp.s. c 8 s 26 are each amended to read as follows:

(1) Except as provided in subsection (2) of this section, a person may not use a commercial fishing vessel to deliver food fish or shellfish taken for commercial purposes in offshore waters to a port in the state without a nonlimited entry delivery license. As used in this section, "deliver" and "delivery" mean arrival at a place or port, and include arrivals from offshore waters to waters within the state and arrivals ashore from offshore waters. As used in this section, "food fish" does not include salmon. As used in this section, "shellfish" does not include ocean pink shrimp, coastal crab, coastal spot shrimp, or fish or shellfish taken under an emerging commercial fisheries license if taken from offshore waters. The annual license fee for a nonlimited entry delivery license is two hundred sixty dollars for residents and (~~three hundred thirty-five~~) six hundred forty-five dollars for nonresidents, and an additional thirty-five dollar surcharge for both residents and nonresidents to be deposited in the rockfish research account created in RCW 77.12.702. The application fee for a nonlimited entry delivery license is one hundred five dollars.

(2) Holders of the following licenses may deliver food fish or shellfish taken in offshore waters without a nonlimited entry delivery license: Salmon troll fishery licenses issued under RCW 77.65.160; salmon delivery licenses issued under RCW 77.65.170; crab pot fishery licenses issued under RCW 77.65.220; food fish trawl—Non-Puget Sound fishery licenses, and emerging commercial fishery licenses issued under RCW 77.65.200; Dungeness crab—coastal fishery licenses; ocean pink shrimp delivery licenses; Washington coastal spot shrimp pot fishery licenses issued under chapter 77.70 RCW; and emerging commercial fishery licenses issued under RCW 77.65.220.

(3) A nonlimited entry delivery license authorizes no taking of fish or shellfish from state waters.

Sec. 7. RCW 77.65.220 and 2017 3rd sp.s. c 8 s 27 are each amended to read as follows:

(1) This section establishes commercial fishery licenses required for shellfish fisheries and the annual fees for those licenses. The director may issue a limited-entry commercial fishery license only to a person who meets the qualifications established in applicable governing sections of this title.

Fishery (Governing section(s))	Annual Fee		Application Fee	Vessel Required?	Limited Entry?
	Resident	Nonresident			
(a) Burrowing shrimp	\$235	(\$340) <u>\$620</u>	\$105	Yes	No
(b) Crab ring net- Puget Sound	\$180	(\$255) <u>\$565</u>	\$ 70	Yes	No
(c) Dungeness crab- coastal (RCW 77.70.280)	\$345	(\$420) <u>\$730</u>	\$105	Yes	Yes
(d) Dungeness crab- Puget Sound (RCW 77.70.110)	\$180	(\$255) <u>\$565</u>	\$105	Yes	Yes
(e) Emerging commercial fishery (RCW 77.70.160 and 77.65.400)	\$335	(\$410) <u>\$720</u>	\$105	Determined by rule	Determined by rule

Fishery (Governing section(s))	Annual Fee	Application Fee	Vessel Required?	Limited Entry?	
(f) Geoduck (RCW 77.70.220)	\$ 0	\$ 0	\$ 70	Yes	Yes
(g) Hardshell clam mechanical harvester (RCW 77.65.250)	\$580	(\$655) <u>\$965</u>	\$ 70	Yes	No
(h) Oyster reserve (RCW 77.65.260)	\$180	(\$255) <u>\$565</u>	\$ 70	No	No
(i) Razor clam	\$180	(\$255) <u>\$565</u>	\$105	No	No
(j) Sea cucumber dive (RCW 77.70.190)	\$280	(\$355) <u>\$665</u>	\$105	Yes	Yes
(k) Sea urchin dive (RCW 77.70.150)	\$280	(\$355) <u>\$665</u>	\$105	Yes	Yes
(l) Shellfish dive	\$180	(\$255) <u>\$565</u>	\$ 70	Yes	No
(m) Shellfish pot	\$180	(\$255) <u>\$565</u>	\$ 70	Yes	No
(n) Shrimp pot- Puget Sound (RCW 77.70.410)	\$335	(\$410) <u>\$720</u>	\$105	Yes	Yes
(o) Shrimp trawl- Puget Sound (RCW 77.70.420)	\$335	(\$410) <u>\$720</u>	\$105	Yes	Yes
(p) Spot shrimp-coastal	\$335	(\$410) <u>\$720</u>	\$ 70	Yes	Yes
(q) Squid	\$335	(\$410) <u>\$720</u>	\$ 70	Yes	No

(2) The director may by rule determine the species of shellfish that may be taken with the commercial fishery licenses established in this section, the gear that may be used with the licenses, and the areas or waters in which the licenses may be used. Where a fishery license has been established for a particular species, gear, geographical area, or combination thereof, a more general fishery license may not be used to take shellfish in that fishery.

Sec. 8. RCW 77.65.280 and 2017 3rd sp.s. c 8 s 29 are each amended to read as follows:

(1) A fish dealer license is required for a person in the state who:

(a) Takes possession of raw or frozen fish or shellfish, in whole or in parts, to prepare, repackage, process, or preserve. This includes, but is not limited to:

(i) Canning or processing of fish or shellfish for payment, whether the fish or shellfish is commercially harvested or taken for personal use; and

(ii) The commercial manufacture or preparation of fertilizer, oil, meal, caviar, fish bait, or any other by-products from fish or shellfish;

(b) Engages in the wholesale selling, buying, or brokering of raw or frozen fish or shellfish. Certain buyers may be additionally required to obtain a wholesale fish buyer endorsement as specified in RCW 77.65.340.

(2) A fish dealer license is not required for:

(a) Licensed commercial fish or shellfish harvesters who either sell only to licensed wholesale fish buyers or who possess a limited fish seller endorsement;

(b) Retail businesses that purchase exclusively from Washington licensed wholesale fish buyers or from limited fish sellers for sale to end consumers.

(3) A business engaged in any activity requiring a fish dealer license only needs to purchase one fish dealer license to cover the actions of all employees.

(4) The annual license fee for a resident fish dealer is four hundred dollars. The fee for a nonresident fish dealer license is ~~((four hundred seventy-five))~~ seven hundred eighty-five dollars. The application fee for both resident and nonresident licenses is one hundred five dollars.

Sec. 9. RCW 77.65.340 and 2017 3rd sp.s. c 8 s 33 are each amended to read as follows:

(1) A wholesale fish buyer endorsement is required for a licensed fish dealer:

(a) To take first possession or ownership of fish or shellfish directly from a commercial fisher that is landed into the state of Washington;

(b) To take first possession or ownership of raw or frozen fish or shellfish in the state of Washington from interstate or foreign commerce; or

(c) To engage in the wholesale buying or selling of fish or shellfish harvested by Indian fishers lawfully exercising fishing rights reserved by federal statute, treaty, or executive order, and the dealer is also responsible for documenting the commercial harvest and sales according to the rules of the department.

(2) A business licensed as a fish dealer must purchase at least one wholesale fish buyer endorsement to engage in the activities in subsection (1) of this section, which allows the business to buy or sell on its premises and which allows one named employee to buy and sell off premises. A business must obtain an additional wholesale fish buyer endorsement for each additional employee who buys and sells fish or shellfish off premises.

(3) The annual fee for a resident wholesale fish buyer's endorsement for business operations with only one fish buyer is fifty dollars. The annual fee for a resident wholesale fish buyer's endorsement for business operations with two or more employees is two hundred forty-five dollars. The annual fee for a nonresident wholesale fish buyer's endorsement is ~~((three hundred twenty))~~ six hundred thirty dollars. The application fee for both resident and nonresident endorsements is one hundred five dollars.

Sec. 10. RCW 77.65.390 and 2017 3rd sp.s. c 8 s 36 are each amended to read as follows:

An ocean pink shrimp delivery license is required for a commercial fishing vessel to deliver ocean pink shrimp taken for commercial purposes in offshore waters and delivered to a port in the state. As used in this section, "deliver" and "delivery" mean arrival at a place or port, and include arrivals from offshore waters to waters within the state and arrivals from state or offshore waters. The annual license fee is three hundred dollars for residents and ~~((three hundred seventy-five))~~ six hundred eighty-five dollars for nonresidents. The application fee is one hundred five dollars. Ocean pink shrimp delivery licenses are transferable.

Sec. 11. RCW 77.65.440 and 2017 3rd sp.s. c 8 s 37 are each amended to read as follows:

The director shall issue the personal licenses listed in this section according to the requirements of this title. The licenses and their annual fees are:

Personal License	Annual Fee (RCW 77.95.090 Surchage)		Applica- tion Fee	Governing Section
	Resident	Nonresident		
(1) Alternate Operator	\$185	((260)) <u>\$570</u>	\$ 70	RCW 77.65.130
(2) Geoduck Diver	\$355	((410)) <u>\$740</u>	\$ 70	RCW 77.65.410
(3) Food Fish Guide	((280)) <u>\$210</u>	((355)) <u>\$595</u>	\$ 70	RCW 77.65.370
	(plus \$20)	(plus \$100)		

Sec. 12. RCW 77.65.480 and 2017 3rd sp.s. c 8 s 38 are each amended to read as follows:

(1) A taxidermy license allows the holder to practice taxidermy for commercial purposes, as that term is defined in RCW 77.15.110. The fee for this license is one hundred eighty dollars. The application fee is seventy dollars.

(2) A fur dealer's license allows the holder to purchase, receive, or resell raw furs for commercial purposes, as that term is defined in RCW 77.15.110. The fee for this license is one hundred eighty dollars. The application fee is seventy dollars.

(3)(a) A game fish guide license allows the holder to offer or perform the services of a game fish guide in the taking of game fish. The fee for this license is ~~((four hundred ten))~~ three hundred five dollars for a resident and ~~((four hundred eighty five))~~ six hundred ninety dollars for a nonresident. The application fee is seventy dollars. An application for a game fish guide license must include the information required in RCW 77.65.560.

(b) A game fish guide license purchased by a person, firm, or business on behalf of an employee is subject to RCW 77.65.600.

(4) A game farm license allows the holder to operate a game farm to acquire, breed, grow, keep, and sell wildlife under conditions prescribed by the rules adopted pursuant to this title. The fee for this license is seventy-two dollars for the first year and forty-eight dollars for each following year. The application fee is seventy dollars.

(5) A game fish stocking permit allows the holder to release game fish into the waters of the state as prescribed by rule of the commission. The fee for this permit is twenty-four dollars. The application fee is seventy dollars.

(6) A fishing or field trial permit allows the holder to promote, conduct, hold, or sponsor a fishing or field trial contest in accordance with rules of the commission. The fee for a fishing contest permit is twenty-four dollars. The fee for a field trial contest permit is twenty-four dollars. The application fee is seventy dollars.

Sec. 13. RCW 77.65.510 and 2017 3rd sp.s. c 8 s 41 are each amended to read as follows:

(1) The limited fish seller endorsement permits a license holder or alternate operator to clean, dress, and sell his or her commercially harvested catch directly to consumers at retail. The limited ~~((fish))~~ fish seller endorsement may be issued as an optional addition to all holders of a commercial fishing license issued by the department and may be purchased at the time of the underlying license sale or any time thereafter.

(2) The holder of a limited fish seller endorsement selling their own catch directly to consumers is exempt from the permitting requirements of chapter 246-215 WAC. To ensure food safety for consumers, the holder of a limited fish seller endorsement must follow these requirements: (a) Only sell fresh, whole fish or fresh fish that has been cleaned and dressed; (b) use ice from a commercial source to hold the fish; and (c) provide the buyer with a receipt stating the date of purchase, Washington fish-receiving ticket number documenting the original delivery, name, address, and phone number of the holder of the limited fish seller endorsement from whom the fish or shellfish was purchased, and the species and weight or number of fish or shellfish sold. Failure to satisfy these food safety requirements is punishable as an infraction under RCW 77.15.160. A licensed commercial fisher holding a limited fish seller endorsement may allow a designated alternate to sell under the authority of that endorsement.

(3) An individual need only add one limited fish seller endorsement to his or her license portfolio. If a limited fish seller endorsement is selected by an individual holding more than one commercial fishing license issued by the department, an endorsement is considered to be added to all commercial fishing licenses held by that individual, and is the only endorsement required for the individual to sell at retail any species permitted by any of the underlying endorsed licenses.

(4) The fee for a resident limited fish seller endorsement is seventy dollars. The fee for a nonresident limited fish seller endorsement is ~~((one hundred forty-five))~~ four hundred fifty-five dollars. The application fee for both a resident and nonresident endorsement is one hundred five dollars.

(5) The holder of a limited fish seller endorsement is responsible for documenting the commercial harvest and sales according to the rules of the department.

(6) The limited fish seller endorsement is to be held by a natural person and is not transferable or assignable. If the endorsed license is transferred, the limited fish seller endorsement immediately becomes void, and the transferor is not eligible for a full or prorated reimbursement of the annual fee paid for the limited fish seller endorsement. Upon becoming void, the holder of a limited fish seller endorsement must surrender the physical endorsement to the department.

(7) The holder of a qualifying commercial fishing license or an alternate operator designated on such a license, must either possess a limited fish seller endorsement or a wholesale fish buyer endorsement provided for in RCW 77.65.340 in order to lawfully sell their catch or harvest in the state to anyone other than a licensed wholesale fish buyer.

Sec. 14. RCW 77.12.453 and 1983 1st ex.s. c 46 s 27 are each amended to read as follows:

The director may issue permits to members of the Wanapum band of Indians to take salmon and other freshwater food fish for ceremonial and subsistence purposes. The department shall establish the areas in which the permits are valid and shall regulate the times for and manner of taking the salmon and other freshwater food fish. This section does not create a right to fish commercially.

NEW SECTION. Sec. 15. Sections 1 through 8 and 10 through 13 of this act take effect January 1, 2019.

Passed by the Senate March 3, 2018.

Passed by the House March 7, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 236

[Substitute Senate Bill 6318]

FOOD SAFETY AND SECURITY--REORGANIZATION

AN ACT Relating to clarifying existing law by creating a new intrastate food safety and security chapter from existing intrastate food safety laws and moving certain provisions in the intrastate commerce food, drugs, and cosmetics act to the titles of the agencies that administer the provisions; amending RCW 69.04.040, 69.04.710, 69.04.810, 69.04.820, 69.04.850, 69.04.928, 69.04.932, 69.04.935, 69.04.938, 15.28.015, 15.36.012, 15.36.401, 15.36.541, 15.44.015, 15.65.033, 15.66.017, 15.88.025, 15.89.025, 16.49.095, 16.67.035, 69.07.060, 69.07.110, 69.07.120, 69.07.160, 69.10.005, 69.10.010, 69.10.030, 69.10.045, and 69.10.050; reenacting and amending RCW 9.94A.515; adding a new chapter to Title 15 RCW; adding a new chapter to Title 77 RCW; recodifying RCW 69.04.928, 69.04.932, 69.04.933, 69.04.934, 69.04.935, and 69.04.938; repealing RCW 69.04.021, 69.04.022, 69.04.023, 69.04.024, 69.04.025, 69.04.123, 69.04.190, 69.04.200, 69.04.205, 69.04.206, 69.04.207, 69.04.210, 69.04.220, 69.04.231, 69.04.240, 69.04.245, 69.04.250, 69.04.260, 69.04.270, 69.04.280, 69.04.290, 69.04.300, 69.04.310, 69.04.320, 69.04.330, 69.04.331, 69.04.333, 69.04.334, 69.04.335, 69.04.340, 69.04.345, 69.04.350, 69.04.360, 69.04.380, 69.04.390, 69.04.392, 69.04.394, 69.04.396, 69.04.398, 69.04.400, 69.04.870, 69.04.900, 69.04.905, 69.04.910, 69.04.915, 69.04.920, 69.04.930, 69.04.940, 69.04.950, 69.04.955, 69.04.960, 69.04.965, 69.04.970, 69.04.975, and 69.04.980; and prescribing penalties.

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

NEW SECTION. Sec. 1. INTENT. The purpose of this chapter is to protect the public from adulteration, misbranding, and false advertisement of food in intrastate commerce. The intent is to promote uniformity with federal law, governmental transparency, and regulatory fairness.

PART I GENERAL PROVISIONS

NEW SECTION. Sec. 101. FEDERAL LAW REFERENCE. (1) All references to a federal statute in this chapter mean the statute and its implementing regulations existing on the effective date of this section or the date of such subsequent version as the department may adopt by rule.

(2) Where the referenced federal statute refers to the "secretary," the meaning for the purpose of this chapter is "secretary" or "director."

(3) A reference to a federal statute excludes any matters in the federal statute that are inapplicable to state jurisdiction.

NEW SECTION. Sec. 102. DEFINITIONS. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Advertisement" means all representations, other than by labeling, that directly or indirectly induce, or are likely to induce, the purchase of food.

(2) "Carrier" means a person who undertakes the professional conveyance of food.

(3) "Color additive" means the same as "color additive" in 21 U.S.C. Sec. 321.

(4) "Direct seller" means an entity that: (a) Receives prepackaged food from a food processor licensed or inspected, or both, by a state or federal regulatory

agency or the department; (b) delivers the food directly to consumers who placed and paid for an order on the entity's web site; (c) delivers food without opening the packaging and without dividing it into smaller packages; (d) provides no interim storage; and (e) delivers the food by means of vehicles equipped with either refrigeration or freezer units, or both. A direct seller is not a "carrier" under this chapter.

(5) "Food" means the same as "food" in 21 U.S.C. Sec. 321 and includes any article used for food or drink by humans or other animals.

(6) "Food additive" means the same as "food additive" in 21 U.S.C. Sec. 321.

(7) "Food facility" means any part of an operation, factory, establishment, or vehicle engaged in the sale, processing, storage, transport, or holding of food in intrastate commerce. A food facility includes, but is not limited to, grounds, premises, buildings, room, area, facilities, vehicles, appurtenances, and equipment.

(8) "Fish" means fresh or saltwater finfish and other forms of aquatic animal life intended for human consumption other than mollusks, birds, and mammals.

(9) "Intrastate commerce" means all commerce, including but not limited to the operation of any business or service establishment; and the manufacturing or processing of articles intended for sale, held for sale, sold, stored, transported, handled, or distributed in Washington state.

(10) "Label," "labeling" means the same as "label" and "labeling" in 21 U.S.C. Sec. 321.

(11) "Perishable packaged food" means all food intended for human consumption that is canned, bottled, or packaged at a time other than at the point of retail sale, has a risk of spoilage within thirty days, and is determined by the department in rule to be perishable. The term does not include raw agricultural commodities, alcoholic beverages, frozen foods, fresh meat, fresh poultry, fresh fish, and fresh shellfish.

(12) "Pesticide chemical" means any substance defined as a pesticide in chapter 15.58 RCW or recognized as a pesticide chemical under 21 U.S.C. Sec. 346.

(13) "Process," "processing" means manufacturing, processing, packing, canning, bottling, or any other production, preparation, or putting up.

(14) "Pull date" means the latest date a perishable packaged food may be offered for sale to the public.

(15) "Raw agricultural commodity" means the same as "raw agricultural commodity" in 21 U.S.C. Sec. 321.

(16) "Sale," "sell," "selling" means all parts of transactions concerning food including, but not limited to, advertising, offering, acceptance, dispensing, giving, delivering, serving, bartering, trading, or other supplying, holding for sale, and preparing for sale.

(17) "Shelf life" means the length of time a perishable packaged food retains its safe consumption quality if stored under proper temperature conditions.

(18) "Shellfish" means all crustaceans and mollusks intended for human consumption.

(19) "Storage" and "store" means holding, storing, or any other possessing.

NEW SECTION. Sec. 103. DEPARTMENT'S GENERAL POWERS. (1) The department must do all acts and things necessary to carry out and enforce the provisions of this chapter.

(2) The department must adopt rules as necessary to implement the purpose and provisions of this chapter.

(a) To the extent feasible, the rules must promote uniformity with the federal food, drug, and cosmetic act, as amended, 21 U.S.C. Sec. 301 et seq., and regulations adopted under it.

(b) To promote such uniformity, the department may conduct expedited rule making under chapter 34.05 RCW to adopt a subsequent version of a federal statute or regulation referenced in this chapter and adopt amendments to federal regulations that the department has previously adopted as rule.

(3) In accordance with subsection (2) of this section, the department may establish by rule:

(a) Standards for food including, but not limited to, identity, quality, and fill;

(b) Tolerance standards for any substance, including pesticides, color additives, and food additives used in or on food, but potentially harmful to humans or animals; and

(c) Uniform standards for pull date labeling and storage conditions for perishable packaged foods.

(4) The department must investigate violations or possible violations of this chapter or the rules adopted under it.

(5) The department may cooperate with and enter into agreements with other state, federal, or local governmental agencies in carrying out the purpose and provisions of this chapter.

(6) The department may notify the public about food safety issues and enforcement actions under this chapter.

(7) Rules that the department adopted under the authority of chapter 69.04 RCW remain effective until June 30, 2022, or until the department repeals or amends the rules, whichever is first.

NEW SECTION. Sec. 104. ADMINISTRATIVE PROCEDURE ACT. Chapter 34.05 RCW governs the administration of this chapter including but not limited to rule making, assessment of civil penalties, orders, emergency actions, and license suspension, revocation, or denial.

NEW SECTION. Sec. 105. EXEMPTION UNDER THIS CHAPTER. (1) Food in transit from one processing facility to another processing facility to complete its preparation for sale is exempt from the labeling requirements of this chapter, but is otherwise subject to all applicable provisions of this chapter.

(2) This chapter is not applicable to kosher food to the extent necessary to produce kosher food products as defined in RCW 69.90.010.

PART II

GENERAL QUALITY STANDARDS AND REQUIREMENTS

NEW SECTION. Sec. 201. ADULTERATED FOOD PROHIBITED. (1) A person may not:

(a) Cause or intend to cause adulteration of food in intrastate commerce;

(b) Sell, process, or store adulterated food in intrastate commerce; or

(c) Receive for the purpose of sale in intrastate commerce food known to be adulterated.

(2) Food is adulterated if it is adulterated within the meaning of 21 U.S.C. Sec. 342, or is adulterated in accordance with department rules.

NEW SECTION. Sec. 202. MISBRANDED FOOD PROHIBITED. (1) A person may not:

- (a) Cause or intend to cause misbranded food in intrastate commerce;
- (b) Sell, process, or store misbranded food in intrastate commerce; or
- (c) Receive for the purpose of sale in intrastate commerce food known to be misbranded.

(2) Food is misbranded if it is misbranded within the meaning of 21 U.S.C. Sec. 321(n) or 21 U.S.C. Sec. 343, falsely represents its place or origin, or is not labeled and packaged in accordance with department rules.

NEW SECTION. Sec. 203. FALSE ADVERTISEMENT PROHIBITED. (1) A person may not disseminate false advertising with respect to food within the state, in any manner or by any means or through any medium.

(2) An advertisement of a food is false if it is false or misleading in any particular or if it is false or misleading within the meaning of 21 U.S.C. Sec. 321(n).

NEW SECTION. Sec. 204. ALTERATION PROHIBITED. A person may not change, mutilate, destroy, obliterate, or remove any part of food labeling, or do any other act that results in a food being adulterated or misbranded after shipment in intrastate commerce and while the food is held for sale.

NEW SECTION. Sec. 205. FALSE WARRANTY OR GUARANTEE PROHIBITED. A person may not knowingly or intentionally give a false guarantee or falsely warrant that food complies with this chapter.

PART III

SPECIAL QUALITY OR LABELING REQUIREMENTS

NEW SECTION. Sec. 301. PERISHABLE PACKAGED FOOD—PULL DATES. (1) All perishable packaged foods in intrastate commerce with a projected shelf life of thirty days or less must state a pull date on the package.

(2) The pull date must be stated by month and day and be in a style and format that is readily decipherable by consumers.

(3) A person may not offer perishable packaged food for sale after the pull date, except that if clearly identified as past the pull date, packaged perishable food with an expired pull date may be sold if still wholesome and without danger to health.

(4) A person may not rewrap or repackaged perishable packaged food with the intention of providing a pull date different from the original.

(5) The department may exclude the monthly requirement from the pull date for perishable packaged food with a shelf life of seven days or less.

(6) The department must consult with the secretary of the department of health when appropriate in adopting rules to establish uniform standards for pull date labeling and optimum storage conditions for perishable packaged food.

NEW SECTION. Sec. 302. POPCORN SOLD IN THEATERS OR COMMERCIAL FOOD ESTABLISHMENTS. (1) Theaters and other commercial food establishments that prepare and sell popcorn for human consumption must post a sign in a conspicuous location identifying whether butter or butter-like flavoring added to or attributed to the popcorn offered for

sale is butter or some other product. If another product, the sign must also disclose the ingredients of the product.

(2) Popcorn sold or offered for sale in violation of this section and rules adopted by the department prescribing the size and content of the sign is misbranded for the purposes of this chapter.

(3) This provision does not apply to prepackaged popcorn labeled in compliance with applicable law.

(4) "Butter," as used in this section, means the food product usually known as butter and made exclusively from milk or cream, or both with or without common salt, and with or without additional coloring matter, and containing not less than eighty percent by weight of milkfat, all tolerance having been allowed for.

PART IV LICENSES

NEW SECTION. **Sec. 401.** GENERAL LICENSE ADMINISTRATION.

(1) Unless otherwise provided, the provisions in this section apply to a license or certificate issued under this chapter.

(2) Applicants for a new or renewal license issued by the department must submit applications on forms prescribed by the department.

(3) The license fee must accompany any application submittal.

(4) The department must adopt rules for an annual license and renewal fee to defray the costs of administering a licensing program, including inspections.

(5) The department must issue a license to the applicant if the application is complete and the applicant's food facility complies with this chapter, including the rules adopted under it.

NEW SECTION. **Sec. 402.** DIRECT SELLER LICENSE. (1) A person may not operate as a direct seller without a license issued by the department.

(2) A licensed direct seller must transport food under conditions that protect food against physical, chemical, and microbial contamination, as well as against deterioration of the food and its container. This includes, but is not limited to, the separation of raw materials in a manner to avoid cross-contamination of other food and ensure that raw materials that inherently contain pathogenic and spoilage microorganisms, soil, or other foreign material, do not come into direct contact with other food.

(3) In the event of a food recall or when required by the department or a federal, state, or local health authority in response to a foodborne illness outbreak, a licensed direct seller must use its client listserv to notify its customers of the recall and other relevant information.

(4) A direct seller license must comply with the definition of a direct seller in this chapter and:

(a) Provide the department with a list of all leased, rented, or owned vehicles, other than vehicles that are rented for fewer than forty-five days, used by the applicant's business to deliver food;

(b) Maintain all records of vehicles rented for fewer than forty-five days for at least twelve months following the termination of the rental period; and

(c) Maintain food temperature logs or use a device to monitor the temperature of the packages in real time for all food while in transport.

(5) The department shall pay all moneys received under this section into the food processing inspection account created in RCW 69.07.120. The department must use such funds solely to carry out the provisions of this section.

(6) In the implementation of this section, the department must:

(a) Conduct inspections of vehicles, food handling areas, refrigeration equipment, and product packaging used by a licensed direct seller;

(b) Conduct audits of temperature logs and other food handling records as appropriate;

(c) Investigate complaints against a licensed direct seller for the failure to maintain food safety; and

(d) Adopt rules, in consultation with the department of health and local health jurisdictions, necessary to administer and enforce the program consistent with federal regulations.

(7) Direct sellers that have a license from the department under this section are exempt from the permitting requirements of food service rules adopted by the state board of health and local health jurisdictions.

NEW SECTION. Sec. 403. INSPECTIONS. (1) Any person authorized by the department to operate a food facility must provide the department access for inspection to any part, portion, or area of the food facility or its records subject to the authorization.

(2) When possible, the department must make any such inspection during regular business hours or during a working shift of the food facility, except that the department may inspect such food facility at any time upon information of conditions that constitute immediate danger to public health.

NEW SECTION. Sec. 404. LICENSE DENIAL, SUSPENSION, OR REVOCATION—PENALTIES. (1) The department may deny, suspend, or revoke a license issued by the department upon determining that an applicant or licensee has:

(a) Refused, neglected, or failed to comply with the provisions of this chapter or the rules adopted under it, or a lawful order of the department;

(b) Refused, neglected, or failed to keep and maintain required records or to make such records available when requested; and

(c) Refused the department access to a portion or area of the food facility for the purpose of carrying out the purposes of this chapter.

(2) In addition to or instead of suspending or revoking a license, the department may impose and collect a civil monetary penalty as provided in section 506 of this act for a licensee's violations of this chapter or the rules adopted under it.

PART V INVESTIGATION, ENFORCEMENT, AND EMERGENCY AUTHORITY

NEW SECTION. Sec. 501. INVESTIGATION. (1) At reasonable times, the department may enter any food facility to inspect such food facility and all pertinent equipment, finished and unfinished materials, containers, labeling, and advertisements and take samples for compliance with this chapter and the rules adopted under it.

(2) The department may take product or ingredient samples of food at food facilities or in intrastate commerce upon payment of the market price, if

requested. The department must allow the owner of the food or any person named on the label of the food to conduct independent sampling.

(3) To enforce this chapter, the department may inspect the pertinent records of any state agency.

(4) When the department presents a written request specifying the food under investigation, carriers engaged in intrastate commerce and persons receiving or holding food in intrastate commerce must permit the department reasonable access to and allow the department to copy all records showing the movement or holding in intrastate commerce of food, its quantity, shipper, and consignee. Evidence obtained under this section may not be used in a criminal prosecution of the person who provides access to records under this section.

(5) An owner or other person in control of a food facility or food in intrastate commerce may not refuse to allow the department's investigation under this chapter, if the department has probable cause to conduct the investigation.

NEW SECTION. Sec. 502. INJUNCTION. (1) Regardless of the existence of other remedies at law, the department may bring an action to enjoin the violation of this chapter or the rules adopted under it in the superior court of Thurston county or in a court of competent jurisdiction.

(2) When the injunction concerns dissemination of false advertisement and the court determines that the injunction would delay the regular distribution of a printed issue of a newspaper, magazine, periodical, or other print publication, the court must exclude the issue from the scope of the injunction.

NEW SECTION. Sec. 503. EMBARGO. (1) If the department has probable cause to believe that a food that violates a provision of this chapter and stopping its movement in intrastate commerce is necessary to protect public health, the department may initiate an embargo prohibiting transportation, distribution, or sale of the food.

(2) The department must provide an opportunity for an emergency adjudicative proceeding under chapter 34.05 RCW within twenty days of initiating the embargo action and provide notice to other governmental authorities having jurisdiction.

(3) The department must initiate the embargo action by (a) posting or affixing an embargo order on or at the location of the food or (b) delivering an embargo order to the party in control of the food. The order must specify the food under embargo, set forth the department's intent for disposition of the food, give notice of emergency hearing rights, and otherwise comply with the requirements for an emergency adjudicative proceeding under chapter 34.05 RCW. Disposition of the food may include, but is not limited to, destruction or correction or cure of the violation.

(4) A person may not transport, distribute, or sell food subject to an embargo order without the department's written approval.

(5) A person may not remove, mutilate, or destroy an embargo order without the department's written approval.

(6) The department must immediately withdraw or remove an embargo order upon discovery that the food does not violate any provision of this chapter.

(7) A court shall not allow recovery of damages in an embargo action if the court finds that there was probable cause for such action.

NEW SECTION. Sec. 504. CONDEMNATION. Consistent with constitutional requirements, the department may take condemnation action against food, which may include ordering destruction of the food, if the department has probable cause to believe that immediate containment or destruction of the food is necessary to protect public health. A court shall not allow recovery of damages in a condemnation action if the court finds that there was probable cause for such action.

NEW SECTION. Sec. 505. TEMPORARY EMERGENCY RULES. (1) If a class of food manufactured, processed, or packed in a locality is possibly contaminated with microorganisms injurious to health and the extent of injury cannot be determined once the food has entered into intrastate commerce, the department may adopt emergency rules for the manufacture, processing, or packing of that class of food in that locality. The rules must include the conditions necessary to protect public health and provide for the department to issue temporary permits during the emergency period.

(2) A person may not manufacture, process, or pack the class of food subject to the emergency unless holding a temporary permit under the emergency rules and complying with the conditions of the permit.

(3) To the extent practicable, such emergency rules must conform to federal emergency regulations, if any, addressing the same subject.

(4) A person may not introduce or deliver in intrastate commerce food that violates the requirements of this provision.

(5) A person may not falsely represent that food subject to temporary emergency rule complies with those rules through the use of a mark stamp, tag, label, or other counterfeit or false identification device.

(6) The department may immediately suspend a temporary emergency permit when its holder violates the conditions of the permit.

NEW SECTION. Sec. 506. CIVIL MONETARY PENALTY. (1) The department may impose upon and collect a civil penalty from a person violating this chapter or the rules adopted under it.

(2) The civil penalty must not exceed one thousand dollars per violation per day, except the civil penalty for a violation of pull date requirements in section 301 of this act must not exceed five hundred dollars.

(3) Each violation of this section is a separate and distinct offense.

NEW SECTION. Sec. 507. CRIMINAL PENALTIES. (1) A person who knowingly violates sections 201 through 205, 501, 503, or 505 of this act is guilty of a misdemeanor subject to a penalty of not more than two hundred dollars.

(2) A person who knowingly violates sections 201 through 205, 501, 503, or 505 of this act following a first offense under subsection (1) of this section is guilty of a misdemeanor subject to a penalty of imprisonment for not more than thirty days or a fine of not more than five hundred dollars, or both.

(3) A person who knowingly violates sections 201 through 205, 501, 503, or 505 of this act with intent to defraud or mislead is guilty of a misdemeanor subject to a penalty of imprisonment for not more than ninety days or a fine of not more than one thousand dollars, or both.

(4) Before reporting a violation for criminal prosecution, the department must provide the affected person with notice and opportunity to present oral or written comment to the department.

NEW SECTION. Sec. 508. AVOIDANCE OF PENALTY. (1) A person who receives, holds, or sells adulterated or misbranded food is not subject to civil monetary or criminal penalties under this chapter if the person:

- (a) Establishes that receipt or sale of the food was in good faith;
- (b) Furnishes the identity of the entity from whom the food was received; and
- (c) Provides copies of all documents pertaining to the receipt and distribution of the food.

(2) If food is found to be adulterated or misbranded, a person who has given guarantee or warranty that the food complies with this chapter is not subject to civil monetary or criminal penalties under this chapter if the person:

- (a) Establishes that the guarantee or warranty was in good faith and in reliance on the guarantee or warranty by another entity;
- (b) Furnishes the identity of the entity providing the guarantee or warranty under (a) of this subsection; and
- (c) Provides copies of all documents pertaining to the receipt and distribution of the food.

(3) No publisher, broadcaster, or other disseminator of advertisement prepared by others is subject to civil or criminal penalties if the person establishes that receipt of the advertisement was in good faith and the person furnishes the identity of the entity that caused or created a false advertisement.

NEW SECTION. Sec. 509. PROCEEDINGS. (1) The department may refer a violation of this chapter or the rules adopted under it to a state, county, or city attorney, who may initiate proceedings as appropriate and prosecute the matter as prescribed by law.

(2) This chapter does not require the department to refer minor violations of this chapter for legal proceedings if public interest is adequately served in the circumstances by written notice or warning.

PART VI AMENDMENTS TO CHAPTER 69.04 RCW

Sec. 601. RCW 69.04.040 and 1945 c 257 s 22 are each amended to read as follows:

The following acts and the causing thereof are hereby prohibited:

(1) The sale in intrastate commerce of any (~~(food,)~~) drug, device, or cosmetic that is adulterated or misbranded.

(2) The adulteration or misbranding of any (~~(food,)~~) drug, device, or cosmetic in intrastate commerce.

(3) The receipt in intrastate commerce of any (~~(food,)~~) drug, device, or cosmetic that is adulterated or misbranded, and the sale thereof in such commerce for pay or otherwise.

(4) The introduction or delivery for introduction into intrastate commerce of (~~((a) any food in violation of RCW 69.04.350; or (b))~~) any new drug in violation of RCW 69.04.570.

(5) The dissemination within this state, in any manner or by any means or through any medium, of any false advertisement.

(6) The refusal to permit (a) entry and the taking of a sample or specimen or the making of any investigation or examination as authorized by RCW 69.04.780; or (b) access to or copying of any record as authorized by RCW 69.04.810.

(7) The refusal to permit entry or inspection as authorized by RCW 69.04.820.

(8) The removal, mutilation, or violation of an embargo notice as authorized by RCW 69.04.110.

(9) The giving of a guaranty or undertaking in intrastate commerce, referred to in RCW 69.04.080, that is false.

~~(10) ((The forging, counterfeiting, simulating, or falsely representing, or without proper authority, using any mark, stamp, tag, label, or other identification device authorized or required by regulations promulgated under RCW 69.04.350.~~

~~(11))~~ The alteration, mutilation, destruction, obliteration, or removal of the whole or any part of the labeling of a ~~((food,))~~ drug, device, or cosmetic, or the doing of any other act with respect to a ~~((food,))~~ drug, device, or cosmetic, or the labeling or advertisement thereof, which results in a violation of this chapter.

~~((12))~~ (11) The using in intrastate commerce, in the labeling or advertisement of any drug, of any representation or suggestion that an application with respect to such drug is effective under section 505 of the federal act or under RCW 69.04.570, or that such drug complies with the provisions of either such section.

Sec. 602. RCW 69.04.710 and 1945 c 257 s 89 are each amended to read as follows:

An advertisement of a ~~((food,))~~ drug, device, or cosmetic shall be deemed to be false, if it is false or misleading in any particular.

Sec. 603. RCW 69.04.810 and 1990 c 202 s 9 are each amended to read as follows:

For the purpose of enforcing the provisions of this chapter, carriers engaged in intrastate commerce, and persons receiving ~~((food,))~~ drugs, devices, or cosmetics in intrastate commerce or holding such articles so received, shall, upon the request of the director, permit the director at reasonable times, to have access to and to copy all records showing the movement in intrastate commerce of any ~~((food,))~~ drug, device, or cosmetic, or the holding thereof during or after such movement, and the quantity, shipper, and consignee thereof; and it shall be unlawful for any such carrier or person to fail to permit such access to and the copying of any such records so requested when such request is accompanied by a statement in writing specifying the nature or kind of ~~((food,))~~ drug, device, or cosmetic to which such request relates: PROVIDED, That evidence obtained under this section shall not be used in a criminal prosecution of the person from whom obtained: PROVIDED FURTHER, That ~~((except for violations of RCW 69.04.955, penalties levied under RCW 69.04.980, the requirements of RCW 69.04.950 through 69.04.980, and the requirements of this section.))~~ carriers shall not be subject to the other provisions of this chapter by reason of their receipt, carriage, holding, or delivery of ~~((food,))~~ drugs, devices, or cosmetics in the usual course of business as carriers.

Sec. 604. RCW 69.04.820 and 1945 c 257 s 100 are each amended to read as follows:

For the purpose of enforcing the provisions of this chapter, the director is authorized (1) to enter, at reasonable times, any factory, warehouse, or establishment subject to this chapter, or to enter any vehicle being used to transport or hold (~~(food,))~~ drugs, devices, or cosmetics in intrastate commerce; and (2) to inspect, at reasonable times, such factory, warehouse, establishment, or vehicle and all pertinent equipment, finished and unfinished materials, containers, labeling, and advertisements therein.

Sec. 605. RCW 69.04.850 and 1945 c 257 s 104 are each amended to read as follows:

This chapter and the (~~(regulations promulgated))~~ rules adopted hereunder shall be so interpreted and construed as to effectuate its general purpose to secure uniformity with federal acts and regulations relating to adulterating, misbranding and false advertising of (~~(food,))~~ drugs, devices, and cosmetics.

Sec. 606. RCW 69.04.928 and 2013 c 290 s 2 are each amended to read as follows:

The department of (~~(agriculture))~~ may:

(1) Develop a pamphlet that generally describes the labeling requirements for seafood as set forth in this chapter; and

(2) (~~(Provide to the department of fish and wildlife a web site link to the pamphlet; and~~

~~(3))~~ Make the pamphlet available to holders of any license associated with buying and selling fish or shellfish under chapter 77.65 RCW.

Sec. 607. RCW 69.04.932 and 2013 c 290 s 3 are each amended to read as follows:

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

(1) "Commercially caught" means wild or hatchery-raised salmon harvested in the wild by commercial fishers. The term does not apply to farmed fish raised exclusively by private sector aquaculture.

(2) "~~(Food))~~ Fish" means fresh or saltwater finfish and other forms of aquatic animal life other than crustaceans, mollusks, birds, and mammals where the animal life is intended for human consumption.

(3) "Salmon" means all species of the genus *Oncorhynchus*, except those classified as game fish in RCW 77.08.020, and includes:

SCIENTIFIC NAME	COMMON NAME
<i>Oncorhynchus tshawytscha</i>	Chinook salmon or king salmon
<i>Oncorhynchus kisutch</i>	Coho salmon or silver salmon
<i>Oncorhynchus keta</i>	Chum or "keta" salmon
<i>Oncorhynchus gorbuscha</i>	Pink salmon
<i>Oncorhynchus nerka</i>	Sockeye or "red" salmon
<i>Salmo salar</i> (in other than its landlocked form)	Atlantic salmon

(4) "Shellfish" means crustaceans and all mollusks where the animal life is intended for human consumption.

Sec. 608. RCW 69.04.933 and 2017 3rd sp.s. c 8 s 6 are each amended to read as follows:

(1) It is unlawful to knowingly sell or offer for sale at wholesale or retail any fresh, frozen, or processed fish or shellfish without identifying for the buyer at the point of sale the species of fish or shellfish by its common name, such that the buyer can make an informed purchasing decision for his or her protection, health, and safety.

(2) It is unlawful to knowingly label or offer for sale any fish designated as halibut, with or without additional descriptive words, unless the fish product is *Hippoglossus hippoglossus* or *Hippoglossus stenolepis*.

(3) This section does not apply to salmon that is minced, pulverized, coated with batter, or breaded.

(4) This section does not apply to a commercial fisher properly licensed under chapter 77.65 or 77.70 RCW and engaged in sales of fish to a wholesale fish buyer.

(5) A violation of this section constitutes misbranding under RCW 69.04.938 (as recodified by this act) and is punishable as a misdemeanor, gross misdemeanor, or felony depending on the fair market value of the fish or shellfish involved in the violation.

(6)(a) The common names for salmon species are as listed in RCW 69.04.932 (as recodified by this act).

(b) The common names for all other fish and shellfish are the common names for fish and shellfish species as defined by rule of the department (~~(of fish and wildlife)~~). If the common name for a species is not defined by rule of the department (~~(of fish and wildlife)~~), then the common name is the acceptable market name or common name as provided in the United States food and drug administration's publication "Seafood list - FDA's guide to acceptable market names for seafood sold in interstate commerce," as the publication existed on July 28, 2013.

(7) For the purposes of this section, "processed" means fish or shellfish processed by heat for human consumption, such as fish or shellfish that is kippered, smoked, boiled, canned, cleaned, portioned, or prepared for sale or attempted sale for human consumption.

(8) Nothing in this section precludes using additional descriptive language or trade names to describe fish or shellfish as long as the labeling requirements in this section are met.

Sec. 609. RCW 69.04.934 and 2017 3rd sp.s. c 8 s 7 are each amended to read as follows:

(1) It is unlawful to knowingly sell or offer for sale at wholesale or retail any fresh, frozen, or processed salmon without identifying private sector cultured aquatic salmon or salmon products as farm-raised salmon, or identifying commercially caught salmon or salmon products as commercially caught salmon.

(2) Identification of the products under subsection (1) of this section must be made to the buyer at the point of sale such that the buyer can make an informed purchasing decision for his or her protection, health, and safety.

(3) A violation of this section constitutes misbranding under RCW 69.04.938 (as recodified by this act) and is punishable as a misdemeanor, gross

misdemeanor, or felony depending on the fair market value of the fish or shellfish involved in the violation.

(4) This section does not apply to salmon that is minced, pulverized, coated with batter, or breaded.

(5) This section does not apply to a commercial fisher properly licensed under chapter 77.65 or 77.70 RCW and lawfully engaged in the sale of fish to a wholesale fish buyer.

(6) Nothing in this section precludes using additional descriptive language or trade names to describe fish or shellfish as long as the labeling requirements of this section are met.

Sec. 610. RCW 69.04.935 and 2013 c 290 s 6 are each amended to read as follows:

To promote honesty and fair dealing for consumers and to protect public health and safety, ~~((the director, in consultation with))~~ the director ~~((of the department of fish and wildlife)),~~ may adopt rules as necessary to:

(1) Establish and implement a reasonable definition and identification standard for species of ~~((food))~~ fish and shellfish that are sold for human consumption;

(2) Provide procedures for enforcing this chapter's ~~((food))~~ fish and shellfish labeling requirements and misbranding prohibitions.

Sec. 611. RCW 69.04.938 and 2013 c 290 s 7 are each amended to read as follows:

(1) A person is guilty of unlawful misbranding of ~~((food))~~ fish or shellfish in the third degree if the person commits an act that violates RCW 69.04.933 (as recodified by this act) or 69.04.934 (as recodified by this act), and the misbranding involves ~~((food))~~ fish or shellfish with a fair market value up to five hundred dollars. Unlawful misbranding of ~~((food))~~ fish or shellfish in the third degree is a misdemeanor.

(2) A person is guilty of unlawful misbranding of ~~((food))~~ fish or shellfish in the second degree if the person commits an act that violates RCW 69.04.933 (as recodified by this act) or 69.04.934 (as recodified by this act), and the misbranding involves ~~((food))~~ fish or shellfish with a fair market value of five hundred dollars or more, up to five thousand dollars. Unlawful misbranding of ~~((food))~~ fish or shellfish in the second degree is a gross misdemeanor.

(3) A person is guilty of unlawful misbranding of ~~((food))~~ fish or shellfish in the first degree if the person commits an act that violates RCW 69.04.933 (as recodified by this act) or 69.04.934 (as recodified by this act), and the misbranding involves ~~((food))~~ fish or shellfish with a fair market value of five thousand dollars or more. Unlawful misbranding of ~~((food))~~ fish or shellfish in the first degree is a class C felony.

PART VII

AMENDMENTS TO REFERENCING STATUTES

Sec. 701. RCW 15.28.015 and 2011 c 103 s 28 are each amended to read as follows:

The history, economy, culture, and the future of Washington state's agriculture involves the production of soft tree fruits. In order to develop and promote Washington's soft tree fruits as part of an existing comprehensive regulatory scheme the legislature declares:

(1) That the Washington state fruit commission is created;

(2) That it is vital to the continued economic well-being of the citizens of this state and their general welfare that its soft tree fruits be properly promoted by (a) enabling the soft tree fruit industry to help themselves in establishing orderly, fair, sound, efficient, and unhampered cooperative marketing, grading, and standardizing of soft tree fruits they produce; and (b) working to stabilize the soft tree fruit industry by increasing consumption of soft tree fruits within the state, the nation, and internationally;

(3) That producers of soft tree fruits operate within a regulatory environment that imposes burdens on them for the benefit of society and the citizens of the state and includes restrictions on marketing autonomy. Those restrictions may impair the producers of soft tree fruits in their ability to compete in local, domestic, and foreign markets;

(4) That it is in the overriding public interest that support for the soft tree fruit industry be clearly expressed, that adequate protection be given to agricultural commodities, uses, activities, and operations, and that soft tree fruits be promoted individually, and as part of a comprehensive industry to:

(a) Enhance the reputation and image of Washington state's agriculture industry;

(b) Increase the sale and use of Washington state's soft tree fruits in local, domestic, and foreign markets;

(c) Protect the public by educating the public in reference to the quality, care, and methods used in the production of Washington state's soft tree fruits;

(d) Increase the knowledge of the health-giving qualities and dietetic value of soft tree fruits;

(e) Support and engage in cooperative programs or activities that benefit the production, handling, processing, marketing, and uses of soft tree fruits produced in Washington state;

(5) That this chapter is enacted in the exercise of the police powers of this state for the purpose of protecting the health, peace, safety, and general welfare of the people of this state and to stabilize and protect the soft tree fruit industry of the state; and

(6) That the production and marketing of soft tree fruit is a highly regulated industry and that the provisions of this chapter and the rules adopted under it are only one aspect of the regulated industry. Other regulations and restraints applicable to the soft tree fruit industry include:

(a) The federal marketing order under 7 C.F.R. Part 922 (apricots);

(b) The federal marketing order under 7 C.F.R. Part 923 (sweet cherries);

(c) The federal marketing order under 7 C.F.R. Part 924 (prunes);

(d) The federal marketing order under 7 C.F.R. Part 930 (tart cherries);

(e) The federal marketing order under 7 C.F.R. Part 931 (Bartlett pears);

(f) Tree fruit research act under chapter 15.26 RCW;

(g) Controlled atmosphere storage of fruits and vegetables under chapter 15.30 RCW;

(h) Organic products act under chapter 15.86 RCW;

(i) ~~((Intrastate commerce in food, drugs, and cosmetics under chapter 69.04 RCW and rules.))~~ The food safety and security act under chapter 15.--- RCW (the new chapter created in section 903 of this act);

(j) Washington food processing act under chapter 69.07 RCW;

- (k) Washington food storage warehouses act under chapter 69.10 RCW;
- (l) Weighmasters under chapter 15.80 RCW;
- (m) Horticultural pests and diseases under chapter 15.08 RCW;
- (n) Horticultural plants, Christmas trees, and facilities—Inspection and licensing under chapter 15.13 RCW;
- (o) Planting stock under chapter 15.14 RCW;
- (p) Standards of grades and packs under chapter 15.17 RCW;
- (q) Washington pesticide control act under chapter 15.58 RCW;
- (r) Farm marketing under chapter 15.64 RCW;
- (s) Insect pests and plant diseases under chapter 17.24 RCW;
- (t) Weights and measures under chapter 19.94 RCW;
- (u) Agricultural products—Commission merchants, dealers, brokers, buyers, and agents under chapter 20.01 RCW; and
- (v) Rules under the Washington Administrative Code, Title 16.

Sec. 702. RCW 15.36.012 and 2006 c 157 s 2 are each amended to read as follows:

For the purpose of this chapter:

"Adulterated milk" means milk that is deemed adulterated under appendix L of the PMO.

"Colostrum milk" means milk produced within ten days before or until practically colostrum free after parturition.

"DMO" means supplement I, the recommended sanitation ordinance for grade A condensed and dry milk products and condensed and dry whey, to the PMO published by the United States public health service, food and drug administration.

"Dairy farm" means a place or premises where one or more cows, goats, or other mammals are kept, a part or all of the milk or milk products from which is sold or offered for sale.

"Dairy technician" means any person who takes samples of milk or cream or fluid derivatives thereof, on which sample tests are to be made as a basis of payment, or who grades, weighs, or measures milk or cream or the fluid derivatives thereof, the grade, weight, or measure to be used as a basis of payment, or who operates equipment wherein milk or products thereof are pasteurized.

"Degrade" means the lowering in grade from grade A to grade C.

"Department" means the state department of agriculture.

"Director" means the director of agriculture of the state of Washington or the director's duly authorized representative.

"Grade A milk processing plant" means any milk processing plant that meets all of the standards of the PMO to process grade A pasteurized milk or milk products.

"Grade A pasteurized milk" means grade A raw milk that has been pasteurized.

"Grade A raw milk" means raw milk produced upon dairy farms conforming with all of the items of sanitation contained in the PMO, in which the bacterial plate count does not exceed twenty thousand per milliliter and the coliform count does not exceed ten per milliliter as determined in accordance with RCW 15.36.201.

"Grade A raw milk for pasteurization" means raw milk produced upon dairy farms conforming with all of the same items of sanitation contained in the PMO of grade A raw milk, and the bacterial plate count, as delivered from the farm, does not exceed eighty thousand per milliliter as determined in accordance with RCW 15.36.201.

"Grade C milk" is milk that violates any of the requirements for grade A milk but that is not deemed to be adulterated.

"Milk" means the lacteal secretion, practically free of colostrum, obtained by the complete milking of one or more healthy cows, goats, or other mammals.

"Milk hauler" means a person who transports milk or milk products in bulk to or from a milk processing plant, receiving station, or transfer station.

"Milk processing" means the handling, preparing, packaging, or processing of milk in any manner in preparation for sale as food, as defined in chapter ((69.04)) 15.--- RCW (the new chapter created in section 903 of this act). Milk processing does not include milking or producing milk on a dairy farm that is shipped to a milk processing plant for further processing.

"Milk processing plant" means a place, premises, or establishment where milk or milk products are collected, handled, processed, stored, bottled, pasteurized, aseptically processed, bottled, or prepared for distribution, except an establishment that merely receives the processed milk products and serves them or sells them at retail.

"Milk products" means the product of a milk manufacturing process.

"Misbranded milk" means milk or milk products that carries a grade label unless such grade label has been awarded by the director and not revoked, or that fails to conform in any other respect with the statements on the label.

"Official laboratory" means a biological, chemical, or physical laboratory that is under the direct supervision of the state or a local regulatory agency.

"Officially designated laboratory" means a commercial laboratory authorized to do official work by the department, or a milk industry laboratory officially designated by the department for the examination of grade A raw milk for pasteurization and commingled milk tank truck samples of raw milk for antibiotic residues and bacterial limits.

"PMO" means the grade "A" pasteurized milk ordinance published by the United States public health service, food and drug administration.

"Pasteurized" means the process of heating every particle of milk or milk product in properly designed and operated equipment to the temperature and time standards specified in the PMO.

"Person" means an individual, partnership, firm, corporation, company, trustee, or association.

"Producer" means a person or organization who operates a dairy farm and provides, sells, or offers milk for sale.

"Receiving station" means a place, premises, or establishment where raw milk is received, collected, handled, stored, or cooled and prepared for further transporting.

"Sale" means selling, offering for sale, holding for sale, preparing for sale, distributing, dispensing, delivering, supplying, trading, bartering, offering a gift as an inducement for sale of, and advertising for sale in any media.

"Transfer station" means any place, premises, or establishment where milk or milk products are transferred directly from one milk tank truck to another.

"Wash station" means a place, facility, or establishment where milk tanker trucks are cleaned in accordance with the standards of the PMO.

Sec. 703. RCW 15.36.401 and 1999 c 291 s 15 are each amended to read as follows:

(1) A license issued under this chapter may be denied, suspended, or revoked by the director when a person:

(a) Fails to comply with the provisions of this chapter or the rules adopted under this chapter;

(b) Refuses the department access to a portion or area of a facility regulated under this chapter, for the purpose of carrying out the provisions of this chapter;

(c) Fails to comply with an order of the director;

(d) Refuses to make available to the department records required to be kept under the provisions of this chapter;

(e) Fails to comply with the applicable provisions of chapter (~~(69.04)~~ 15.--- RCW (the new chapter created in section 903 of this act), Washington intrastate commerce in food, drugs, and cosmetics act, or rules adopted under that chapter;

(f) Interferes with the director in the performance of his or her duties; or

(g) Exhibits negligence, misconduct, or lack of qualification in the discharge of his or her functions.

Upon notice by the director to deny, revoke, or suspend a license, a person may request a hearing under chapter 34.05 RCW.

(2) Whenever a milk transport vehicle is found in violation of this chapter or rules adopted under this chapter, the endorsement for that milk transport vehicle contained on a milk hauler's license may be suspended or revoked. The suspension or revocation does not apply to any other milk transport vehicle operated by the milk hauler.

(3) A license may be revoked by the director upon serious or repeated violations or after a license suspension or degrade for thirty continuous days without correction of the items causing the suspension or degrade.

Sec. 704. RCW 15.36.541 and 1961 c 11 s 15.32.910 are each amended to read as follows:

Nothing in this chapter shall be construed as affecting or being intended to effect a repeal of chapter (~~(69.04)~~ 15.--- RCW (the new chapter created in section 903 of this act) or RCW 69.40.010 through 69.40.025, or of any of such sections, or of any part or provision of any such sections, and if any section or part of a section in this chapter shall be found to contain, cover or effect any matter, topic or thing which is also contained in, covered in or effected by said sections, or by any of them, or by any part thereof, the prohibitions, mandates, directions, and regulations hereof, and the penalties, powers and duties herein prescribed shall be construed to be additional to those prescribed in such sections and not in substitution therefor. And nothing in this chapter shall be construed to forbid the importation, transportation, manufacture, sale, or possession of any article of food which is not prohibited from interstate commerce by the laws of the United States or rules or regulations lawfully made thereunder, if there be a standard of quality, purity and strength therefor authorized by any law of this state, and such article comply therewith and be not misbranded.

Sec. 705. RCW 15.44.015 and 2011 c 103 s 29 are each amended to read as follows:

The history, economy, culture, and the future of Washington state's agriculture involves the dairy industry. In order to develop and promote Washington's dairy products as part of an existing comprehensive scheme to regulate those products the legislature declares:

(1) That the Washington state dairy products commission is created. The commission may also take actions under the name "the dairy farmers of Washington";

(2) That it is vital to the continued economic well-being of the citizens of this state and their general welfare that its dairy products be properly promoted by (a) enabling the dairy industry to help themselves in establishing orderly, fair, sound, efficient, and unhampered marketing, grading, and standardizing of the dairy products they produce; and (b) working to stabilize the dairy industry by increasing consumption of dairy products within the state, the nation, and internationally;

(3) That dairy producers operate within a regulatory environment that imposes burdens on them for the benefit of society and the citizens of the state and includes restrictions on marketing autonomy. Those restrictions may impair the dairy producer's ability to compete in local, domestic, and foreign markets;

(4) That it is in the overriding public interest that support for the dairy industry be clearly expressed, that adequate protection be given to agricultural commodities, uses, activities, and operations, and that dairy products be promoted individually, and as part of a comprehensive industry to:

(a) Enhance the reputation and image of Washington state's agriculture industry;

(b) Increase the sale and use of Washington state's dairy products in local, domestic, and foreign markets;

(c) Protect the public by educating the public in reference to the quality, care, and methods used in the production of Washington state's dairy products;

(d) Increase the knowledge of the health-giving qualities and dietetic value of dairy products; and

(e) Support and engage in programs or activities that benefit the production, handling, processing, marketing, and uses of dairy products produced in Washington state;

(5) That this chapter is enacted in the exercise of the police powers of this state for the purpose of protecting the health, peace, safety, and general welfare of the people of this state; and

(6) That the dairy industry is a highly regulated industry and that this chapter and the rules adopted under it are only one aspect of the regulated industry. Other regulations and restraints applicable to the dairy industry include the:

(a) Federal marketing order under 7 C.F.R., Part 1124;

(b) Dairy promotion program under the dairy and tobacco adjustment act of 1983, Subtitle B;

(c) Milk and milk products act under chapter 15.36 RCW and rules, including:

(i) The national conference of interstate milk shippers pasteurized milk ordinance;

- (ii) The national conference of interstate milk shippers dry milk ordinance;
- (iii) Standards for the fabrication of single-service containers;
- (iv) Procedures governing cooperative state-public health service;
- (v) Methods of making sanitation ratings of milk supplies;
- (vi) Evaluation and certification of milk laboratories; and
- (vii) Interstate milk shippers;
- (d) Milk and milk products for animal food act under chapter 15.37 RCW and rules;
- (e) Organic products act under chapter 15.86 RCW and rules;
- (f) ~~((Intrastate commerce in food, drugs, and cosmetics act under chapter 69.04 RCW and rules, including provisions of 21 C.F.R. relating to the general manufacturing practices, milk processing, food labeling, food standards, and food additives))~~ The food safety and security act under chapter 15.--- RCW (the new chapter created in section 903 of this act);
- (g) Washington food processing act under chapter 69.07 RCW and rules;
- (h) Washington food storage warehouses act under chapter 69.10 RCW and rules;
- (i) Animal health under chapter 16.36 RCW and rules;
- (j) Weighmasters under chapter 15.80 RCW and rules; and
- (k) Dairy nutrient management act under chapter 90.64 RCW and rules.

Sec. 706. RCW 15.65.033 and 2011 c 103 s 24 are each amended to read as follows:

This chapter and the rules adopted under it are only one aspect of the comprehensively regulated agricultural industry.

(1) Other laws applicable to agricultural commodities include the following chapters and the rules adopted thereunder:

- Chapter 15.08 RCW Horticultural pests and diseases;
- Chapter 15.13 RCW Horticultural plants, Christmas trees, and facilities—
Inspection and licensing;
- Chapter 15.14 RCW Planting stock;
- Chapter 15.15 RCW Certified seed potatoes;
- Chapter 15.17 RCW Standards of grades and packs;
- Chapter 15.19 RCW Certification and inspection of ginseng;
- Chapter 15.30 RCW Controlled atmosphere storage of fruits and vegetables;
- Chapter 15.49 RCW Seeds;
- Chapter 15.53 RCW Commercial feed;
- Chapter 15.54 RCW Fertilizers, minerals, and limes;
- Chapter 15.58 RCW Washington pesticide control act;
- Chapter 15.60 RCW Apiaries;
- Chapter 15.64 RCW Farm marketing;
- Chapter 15.83 RCW Agricultural marketing and fair practices;
- Chapter 15.85 RCW Aquaculture marketing;
- Chapter 15.86 RCW Organic products;
- Chapter 15.92 RCW Center for sustaining agriculture and natural resources;
- The food safety and security act under chapter 15.--- RCW (the new chapter created in section 903 of this act);
- Chapter 17.24 RCW Insect pests and plant diseases;
- Chapter 19.94 RCW Weights and measures;

Chapter 20.01 RCW Agricultural products—Commission merchants, dealers, brokers, buyers, agents;

Chapter 22.09 RCW Agricultural commodities;

~~((Chapter 69.04 RCW Food, drugs, cosmetics, and poisons including provisions of 21 C.F.R. relating to the general manufacturing practices, food labeling, food standards, food additives, and pesticide tolerances;))~~

Chapter 69.07 RCW Washington food processing act;

Chapter 69.25 RCW Washington wholesome eggs and egg products act;

Chapter 69.28 RCW Honey;

7 U.S.C., section 136, Federal insecticide, fungicide, and rodenticide act.

(2) In addition to the laws and regulations listed in subsection (1) of this section that apply to the agricultural industry as a whole, the dry pea and lentil industry is regulated by or must comply with the additional laws and rules adopted under 7 U.S.C., chapter 38, agricultural marketing act.

Sec. 707. RCW 15.66.017 and 2011 c 103 s 26 are each amended to read as follows:

This chapter and the rules adopted under it are only one aspect of the comprehensively regulated agricultural industry.

(1) Other laws applicable to agricultural commodities include the following chapters and the rules adopted thereunder:

Chapter 15.08 RCW Horticultural pests and diseases;

Chapter 15.13 RCW Horticultural plants, Christmas trees, and facilities—
Inspection and licensing;

Chapter 15.14 RCW Planting stock;

Chapter 15.15 RCW Certified seed potatoes;

Chapter 15.17 RCW Standards of grades and packs;

Chapter 15.19 RCW Certification and inspection of ginseng;

Chapter 15.30 RCW Controlled atmosphere storage of fruits and vegetables;

Chapter 15.49 RCW Seeds;

Chapter 15.53 RCW Commercial feed;

Chapter 15.54 RCW Fertilizers, minerals, and limes;

Chapter 15.58 RCW Washington pesticide control act;

Chapter 15.60 RCW Apiaries;

Chapter 15.64 RCW Farm marketing;

Chapter 15.83 RCW Agricultural marketing and fair practices;

Chapter 15.85 RCW Aquaculture marketing;

Chapter 15.86 RCW Organic products;

Chapter 15.92 RCW Center for sustaining agriculture and natural resources;

Chapter 15.--- RCW (the new chapter created in section 903 of this act)

Food safety and security act;

Chapter 17.24 RCW Insect pests and plant diseases;

Chapter 19.94 RCW Weights and measures;

Chapter 20.01 RCW Agricultural products—Commission merchants, dealers, brokers, buyers, agents;

Chapter 22.09 RCW Agricultural commodities;

~~((Chapter 69.04 RCW Food, drugs, cosmetics, and poisons including provisions of 21 C.F.R. relating to the general manufacturing practices, food labeling, food standards, food additives, and pesticide tolerances;))~~

Chapter 69.07 RCW Washington food processing act;

Chapter 69.25 RCW Washington wholesome eggs and egg products act;

Chapter 69.28 RCW Honey;

7 U.S.C., section 136, Federal insecticide, fungicide, and rodenticide act.

(2) In addition to the laws and regulations listed in subsection (1) of this section that apply to the agricultural industry as a whole, the potato industry is regulated by or must comply with the following additional laws and the rules or regulations adopted thereunder:

(a) 7 C.F.R., Part 51, United States standards for grades of potatoes;

(b) 7 C.F.R., Part 946, Federal marketing order for Irish potatoes grown in Washington;

(c) 7 C.F.R., Part 1207, Potato research and promotion plan.

(3) In addition to the laws and regulations listed in subsection (1) of this section that apply to the agricultural industry as a whole, the wheat and barley industries are regulated by or must comply with the following additional laws and the rules adopted thereunder:

(a) 7 U.S.C., section 1621, Agricultural marketing act;

(b) Chapter 70.94 RCW, Washington clean air act, agricultural burning.

(4) In addition to the laws and regulations listed in subsection (1) of this section that apply to the agricultural industry as a whole, the poultry industry is regulated by or must comply with the following additional laws and the rules adopted thereunder:

(a) 21 U.S.C., chapter 10, Poultry and poultry products inspection;

(b) 21 U.S.C., chapter 9, Packers and stockyards;

(c) 7 U.S.C., section 1621, Agricultural marketing act;

(d) Washington fryer commission labeling standards.

Sec. 708. RCW 15.88.025 and 2011 c 103 s 30 are each amended to read as follows:

The history, economy, culture, and future of Washington state's agriculture involves the wine industry. In order to develop and promote wine grapes and wine as part of an existing comprehensive scheme to regulate those products the legislature declares:

(1) That it is vital to the continued economic well-being of the citizens of this state and their general welfare that its wine grapes and wine be properly promoted by (a) enabling the wine industry to help themselves in establishing orderly, fair, sound, efficient, and unhampered marketing of wine grapes and wines they produce; and (b) working to stabilize the wine industry by increasing markets for wine grapes and wine within the state, the nation, and internationally;

(2) That wine grape growers and wine producers operate within a regulatory environment that imposes burdens on them for the benefit of society and the citizens of the state and includes restrictions on marketing autonomy. Those restrictions may impair the wine grape growers' and wine producers' ability to compete in local, domestic, and foreign markets;

(3) That it is in the overriding public interest that support for the wine industry be clearly expressed; that adequate protection be given to agricultural commodities, uses, activities, and operations; and that wine grapes and wine be promoted individually, and as part of a comprehensive industry to:

(a) Enhance the reputation and image of Washington state's agriculture industry;

(b) Increase the sale and use of wine grapes and wine in local, domestic, and foreign markets;

(c) Protect the public by educating the public in reference to the quality, care, and methods used in the production of wine grapes and wine;

(d) Increase the knowledge of the qualities and value of Washington's wine grapes and wine; and

(e) Support and engage in programs or activities that benefit the production, handling, processing, marketing, and uses of wine grapes and wine;

(4) That this chapter is enacted in the exercise of the police powers of this state for the purpose of protecting the health, peace, safety, and general welfare of the people of this state; and

(5) That the production and marketing of wine grapes and wine is a highly regulated industry and that the provisions of this chapter and the rules adopted under it are only one aspect of the regulated industry. Other regulations and restraints applicable to the wine grape and wine industry include:

(a) Organic products act under chapter 15.86 RCW;

(b) Horticultural pests and diseases under chapter 15.08 RCW;

(c) Horticultural plants, Christmas trees, and facilities—Inspection and licensing under chapter 15.13 RCW;

(d) Planting stock under chapter 15.14 RCW;

(e) Washington pesticide control act under chapter 15.58 RCW;

(f) Food safety and security act under chapter 15.--- RCW (the new chapter created in section 903 of this act);

(g) Insect pests and plant diseases under chapter 17.24 RCW;

~~((g))~~ (h) Wholesale distributors and suppliers of wine and malt beverages under chapter 19.126 RCW;

~~((h))~~ (i) Weights and measures under chapter 19.94 RCW;

~~((i))~~ (j) Title 66 RCW, alcoholic beverage control;

~~((j) Title 69 RCW, food, drugs, cosmetics, and poisons including provisions of 21 C.F.R. relating to the general manufacturing practices, food labeling, food standards, food additives, and pesticide tolerances;))~~

(k) Chapter 69.07 RCW, Washington food processing act;

(l) 27 U.S.C., Secs. 201 through 211, 213 through 219a, and 122A;

(m) 27 C.F.R., Parts 1, 6, 9, 10, 12, 16, 240, 251, 252; and

(n) Rules under Titles 16 and 314 WAC, and rules adopted under chapter 15.88 RCW.

Sec. 709. RCW 15.89.025 and 2011 c 103 s 31 are each amended to read as follows:

The history, economy, culture, and future of Washington state's agriculture involve the beer industry. In order to develop and promote beer as part of an existing comprehensive scheme to regulate those products, the legislature declares that:

(1) It is vital to the continued economic well-being of the citizens of this state and their general welfare that beer produced in Washington state be properly promoted;

(2) It is in the overriding public interest that support for the Washington beer industry be clearly expressed and that beer be promoted individually, and as part of a comprehensive industry to:

(a) Enhance the reputation and image of Washington state's agriculture industry;

(b) Protect the public by educating the public in reference to the quality, care, and methods used in the production of beer;

(c) Increase the knowledge of the qualities and value of Washington's beer; and

(d) Support and engage in programs or activities that benefit the production, handling, processing, marketing, and uses of beer;

(3) This chapter is enacted in the exercise of the police powers of this state to protect the health, peace, safety, and general welfare of the people of this state; and

(4) The production and marketing of beer is a highly regulated industry and this chapter and the rules adopted under it are only one aspect of the regulated industry. Other laws applicable to the beer industry include:

(a) The organic products act, chapter 15.86 RCW;

(b) The food safety and security act under chapter 15.--- RCW (the new chapter created in section 903 of this act);

(c) The wholesale distributors and suppliers of malt beverages, chapter 19.126 RCW;

~~((+))~~ (d) Weights and measures, chapter 19.94 RCW;

~~((+))~~ (e) Title 66 RCW, alcoholic beverage control;

~~((+))~~ ~~Title 69 RCW, food, drugs, cosmetics, and poisons;~~

(f) 21 C.F.R. as it relates to general manufacturing practices, food labeling, food standards, food additives, and pesticide tolerances;

(g) Chapter 69.07 RCW, Washington food processing act;

(h) 27 U.S.C. Secs. 201 through 211, 213 through 219a, and 122A;

(i) 27 C.F.R. Parts 1, 6, 9, 10, 12, 16, 240, 251, and 252; and

(j) Rules under Title 314 WAC.

Sec. 710. RCW 16.49.095 and 2000 c 99 s 10 are each amended to read as follows:

(1) The director may deny, suspend, or revoke any license required under this chapter if the director determines that an applicant or licensee has committed any of the following acts:

~~((+))~~ (a) Refused, neglected, or failed to comply with the provisions of this chapter, the rules adopted under this chapter, or any lawful order of the director;

~~((+))~~ (b) Refused, neglected, or failed to keep and maintain records required under this chapter or rules adopted under this chapter to make the records available to the director on request;

~~((+))~~ (c) Refused the director access to any facilities or parts of the facilities for the purpose of carrying out the provisions of this chapter or rules adopted under this chapter; or

~~((+))~~ (d) Refused, neglected, or failed to comply with any provisions of chapter ~~((69.04))~~ 15.--- RCW ((, intrastate commerce in food, drugs, and cosmetics;)) (the new chapter created in section 903 of this act) or rules adopted under that chapter.

(2) Upon receipt of notice by the director to deny, suspend, or revoke a license, a person may request a hearing under chapter 34.05 RCW.

Sec. 711. RCW 16.67.035 and 2017 c 256 s 1 are each amended to read as follows:

The legislature declares:

(1) That the history, economy, culture, and the future of Washington state's agriculture involves the beef industry. It is vital to the economy and to citizens' health that the beef industry continue to progress and thrive. The Washington state beef commission is part of an existing comprehensive system to regulate and promote beef and beef products;

(2) That the focus of the beef commission shall include the following responsibilities:

(a) The beef industry is to be promoted in a manner that showcases the varied aspects and segments of the industry;

(b) Research, education, and programs related to health and safety of beef are to be advanced in cooperation with the Washington state department of agriculture, Washington State University, other institutions of higher learning as appropriate, and other governmental or nongovernmental organizations doing research on trade or health issues;

(c) Support is to be provided to the beef industry in establishing orderly, fair, sound, efficient, and unhampered marketing, grading, and standardizing of beef and beef products; and

(d) Maintain efforts to increase consumption of beef and beef products within the state, the nation, and internationally;

(3) That beef producers operate within a regulatory environment that imposes burdens on them for the benefit of society and the citizens of the state and includes restrictions on marketing autonomy. Those restrictions may impair the beef producer's ability to compete in local, domestic, and foreign markets;

(4) That it is in the overriding public interest that support for the beef industry be clearly expressed, that adequate protection be given to agricultural commodities, uses, activities, and operations, and that beef and beef products be promoted individually, and as part of a comprehensive industry to:

(a) Enhance the reputation and image of Washington state's agriculture industry;

(b) Increase the sale and use of beef products in local, domestic, and foreign markets;

(c) Protect the public by educating the public in reference to sustainable stewardship of cattle and the environment, quality, care, and methods used in the production of beef and beef products, and in reference to the various cuts and grades of beef and the uses to which each should be put;

(d) Increase the knowledge of the health-giving qualities and dietetic value of beef products; and

(e) Support and engage in programs or activities that benefit the care and well-being of the cattle, and the production, handling, processing, marketing, and uses of beef and beef products;

(5) That this chapter is enacted in the exercise of the police powers of this state for the purpose of protecting the health, peace, safety, and general welfare of the people of this state; and

(6) That the beef industry is a highly regulated industry and that this chapter and the rules adopted under it are only one aspect of the regulated industry. Other regulations and restraints applicable to the beef industry include the:

- (a) Beef promotion and research act of 1985, U.S.C. Title 7, chapter 62;
- (b) Beef promotion and research, 7 C.F.R., Part 1260;
- (c) Agricultural marketing act, 7 U.S.C., section 1621;
- (d) USDA meat grading, certification, and standards, 7 C.F.R., Part 54;
- (e) Mandatory price reporting, 7 C.F.R., Part 57;
- (f) Grazing permits, 43 C.F.R., Part 2920;
- (g) Capper-Volstead act, U.S.C. Title 7, chapters 291 and 292;
- (h) Livestock identification under chapter 16.57 RCW and rules;
- (i) Organic products act under chapter 15.86 RCW and rules;
- (j) ~~((Intrastate commerce in food, drugs, and cosmetics act under chapter 69.04 RCW and rules, including provisions of 21 C.F.R. relating to the general manufacturing practices, food labeling, food standards, food additives, and pesticide tolerances;))~~ The food safety and security act under chapter 15.--- RCW (the new chapter created in section 903 of this act);
- (k) Washington food processing act under chapter 69.07 RCW and rules;
- (l) Washington food storage warehouses act under chapter 69.10 RCW and rules;
- (m) Animal health under chapter 16.36 RCW and rules; and
- (n) Weights and measures under chapter 19.94 RCW and rules.

Sec. 712. RCW 69.07.060 and 2012 c 117 s 345 are each amended to read as follows:

The director may, subsequent to a hearing thereon, deny, suspend, or revoke any license provided for in this chapter if he or she determines that an applicant has committed any of the following acts:

- (1) Refused, neglected, or failed to comply with the provisions of this chapter, the rules and regulations adopted hereunder, or any lawful order of the director.
- (2) Refused, neglected, or failed to keep and maintain records required by this chapter, or to make such records available when requested pursuant to the provisions of this chapter.
- (3) Refused the department access to any portion or area of the food processing plant for the purpose of carrying out the provisions of this chapter.
- (4) Refused the department access to any records required to be kept under the provisions of this chapter.
- (5) Refused, neglected, or failed to comply with any provisions of ~~((chapter 69.04 RCW, Washington food, drug, and cosmetic act))~~ the food safety and security act under chapter 15.--- RCW (the new chapter created in section 903 of this act), or any ~~((regulations))~~ rules adopted thereunder.

The provisions of this section requiring that a hearing be conducted before an action may be taken against a license do not apply to an action taken under RCW 69.07.065.

Sec. 713. RCW 69.07.110 and 1967 ex.s. c 121 s 11 are each amended to read as follows:

The department may use all the civil remedies provided for in ~~((chapter 69.04 RCW (The Uniform Washington Food, Drug, and Cosmetic Act)))~~ the food safety and security act under chapter 15.--- RCW (the new chapter created in section 903 of this act) in carrying out and enforcing the provisions of this chapter.

Sec. 714. RCW 69.07.120 and 2014 c 98 s 3 are each amended to read as follows:

All moneys received by the department under the provisions of this chapter, (~~RCW 69.04.345~~) section 402 of this act, and chapter 69.22 RCW shall be paid into the food processing inspection account hereby created within the agricultural local fund established in RCW 43.23.230 and shall be used solely to carry out the provisions of this chapter, (~~RCW 69.04.345~~) section 402 of this act, and chapters 69.22 and (~~69.04~~) 15.--- RCW (the new chapter created in section 903 of this act).

Sec. 715. RCW 69.07.160 and 1969 c 68 s 4 are each amended to read as follows:

The authority granted to the director and to the department under the provisions of the (~~Uniform Washington Food, Drug, and Cosmetic Act (chapter 69.04 RCW), as now or hereafter amended,~~) the food safety and security act under chapter 15.--- RCW (the new chapter created in section 903 of this act) shall not be deemed to be reduced or otherwise impaired as a result of any provision or provisions of the Washington Food Processing Act (chapter 69.07 RCW).

Sec. 716. RCW 69.10.005 and 1995 c 374 s 8 are each amended to read as follows:

For the purpose of this chapter:

(1) "Food storage warehouse" means any premises, establishment, building, room area, facility, or place, in whole or in part, where food is stored, kept, or held for wholesale distribution to other wholesalers or to retail outlets, restaurants, and any such other facility selling or distributing to the ultimate consumer. Food storage warehouses include, but are not limited to, facilities where food is kept or held refrigerated or frozen and include facilities where food is stored to the account of another firm and/or is owned by the food storage warehouse. "Food storage warehouse" does not include grain elevators or fruit and vegetable storage and packing houses that store, pack, and ship fresh fruit and vegetables even though they may use refrigerated or controlled atmosphere storage practices in their operation. However, this chapter applies to multiple food storage operations that also distribute or ripen fruits and vegetables.

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

(3) "Director" means the director of the Washington department of agriculture.

(4) "Food" means the same as defined in (~~RCW 69.04.008~~) the food safety and security act under chapter 15.--- RCW (the new chapter created in section 903 of this act).

(5) "Independent sanitation consultant" means an individual, partnership, cooperative, or corporation that by reason of education, certification, and experience has satisfactorily demonstrated expertise in food and dairy sanitation and is approved by the director to advise on such areas including, but not limited to: Principles of cleaning and sanitizing food processing plants and equipment; rodent, insect, bird, and other pest control; (~~principals [principles]~~) principles of hazard analysis critical control point; basic food product labeling; principles of proper food storage and protection; proper personnel work practices and

attire; sanitary design, construction, and installation of food plant facilities, equipment, and utensils; and other pertinent food safety issues.

Sec. 717. RCW 69.10.010 and 1995 c 374 s 9 are each amended to read as follows:

The director or his or her representative may inspect food storage warehouses for compliance with the provisions of chapter ~~((69.04)) 15.---~~ RCW (the new chapter created in section 903 of this act) and the rules adopted under chapter ~~((69.04)) 15.---~~ RCW (the new chapter created in section 903 of this act) as deemed necessary by the director. Any food storage warehouse found to not be in substantial compliance with chapter ~~((69.04)) 15.---~~ RCW (the new chapter created in section 903 of this act) and the rules adopted under chapter ~~((69.04)) 15.---~~ RCW (the new chapter created in section 903 of this act) will be reinspected as deemed necessary by the director to determine compliance. This does not preclude the director from using any other remedies as provided under chapter ~~((69.04)) 15.---~~ RCW (the new chapter created in section 903 of this act) to gain compliance or to embargo products as provided under ~~((RCW 69.04.110))~~ section 503 of this act to protect the public from adulterated foods.

Sec. 718. RCW 69.10.030 and 1995 c 374 s 13 are each amended to read as follows:

The director may, subsequent to a hearing thereon, deny, suspend, or revoke any license provided for in this chapter if he or she determines that an applicant has committed any of the following acts:

- (1) Refused, neglected, or failed to comply with the provisions of this chapter, the rules adopted under this chapter, or any lawful order of the director;
- (2) Refused, neglected, or failed to keep and maintain records required by this chapter, or to make such records available if requested pursuant to the provisions of this chapter;
- (3) Refused the department access to any portion or area of the food storage warehouse for the purpose of carrying out the provisions of this chapter;
- (4) Refused the department access to any records required to be kept under the provisions of this chapter;
- (5) Refused, neglected, or failed to comply with any provisions of ~~((chapter 69.04 RCW, Washington food, drug, and cosmetic act))~~ the food safety and security act under chapter 15.--- RCW (the new chapter created in section 903 of this act), or any rules adopted under chapter ~~((69.04)) 15.---~~ RCW (the new chapter created in section 903 of this act).

The provisions of this section requiring that a hearing be conducted before an action may be taken against a license do not apply to an action taken under RCW 69.10.035.

Sec. 719. RCW 69.10.045 and 1995 c 374 s 16 are each amended to read as follows:

All moneys received by the department under provisions of this chapter, except moneys collected for civil penalties levied under this chapter, shall be paid into an account created in the agricultural local fund established in RCW 43.23.230 and shall be used solely to carry out provisions of this chapter and chapter ~~((69.04)) 15.---~~ RCW (the new chapter created in section 903 of this act). All moneys collected for civil penalties levied under this chapter shall be deposited in the state general fund.

Sec. 720. RCW 69.10.050 and 1995 c 374 s 17 are each amended to read as follows:

(1) Except as provided in subsection (2) of this section, the department may use all the civil remedies provided under chapter ~~((69-04)) 15.---~~ RCW (the new chapter created in section 903 of this act) in carrying out and enforcing the provisions of this chapter.

(2) Civil penalties are intended to be used to obtain compliance and shall not be collected if a warehouse successfully completes a mutually agreed upon compliance agreement with the department. A warehouse that enters into a compliance agreement with the department shall pay only for inspections conducted by the department and any laboratory analyses as required by the inspections as outlined and agreed to in the compliance agreement. In no event shall the fee for these inspections and analyses exceed four hundred dollars per inspection or one thousand dollars in total.

Sec. 721. RCW 9.94A.515 and 2017 c 335 s 4, 2017 c 292 s 3, 2017 c 272 s 10, and 2017 c 266 s 8 are each reenacted and amended to read as follows:

TABLE 2
CRIMES INCLUDED WITHIN EACH
SERIOUSNESS LEVEL

XVI	Aggravated Murder 1 (RCW 10.95.020)
XV	Homicide by abuse (RCW 9A.32.055)
	Malicious explosion 1 (RCW 70.74.280(1))
	Murder 1 (RCW 9A.32.030)
XIV	Murder 2 (RCW 9A.32.050)
	Trafficking 1 (RCW 9A.40.100(1))
XIII	Malicious explosion 2 (RCW 70.74.280(2))
	Malicious placement of an explosive 1 (RCW 70.74.270(1))
XII	Assault 1 (RCW 9A.36.011)
	Assault of a Child 1 (RCW 9A.36.120)
	Malicious placement of an imitation device 1 (RCW 70.74.272(1)(a))
	Promoting Commercial Sexual Abuse of a Minor (RCW 9.68A.101)
	Rape 1 (RCW 9A.44.040)
	Rape of a Child 1 (RCW 9A.44.073)
	Trafficking 2 (RCW 9A.40.100(3))
XI	Manslaughter 1 (RCW 9A.32.060)
	Rape 2 (RCW 9A.44.050)

CRIMES INCLUDED WITHIN EACH
SERIOUSNESS LEVEL

- Rape of a Child 2 (RCW 9A.44.076)
- Vehicular Homicide, by being under the influence of intoxicating liquor or any drug (RCW 46.61.520)
- Vehicular Homicide, by the operation of any vehicle in a reckless manner (RCW 46.61.520)
- X Child Molestation 1 (RCW 9A.44.083)
- Criminal Mistreatment 1 (RCW 9A.42.020)
- Indecent Liberties (with forcible compulsion) (RCW 9A.44.100(1)(a))
- Kidnapping 1 (RCW 9A.40.020)
- Leading Organized Crime (RCW 9A.82.060(1)(a))
- Malicious explosion 3 (RCW 70.74.280(3))
- Sexually Violent Predator Escape (RCW 9A.76.115)
- IX Abandonment of Dependent Person 1 (RCW 9A.42.060)
- Assault of a Child 2 (RCW 9A.36.130)
- Explosive devices prohibited (RCW 70.74.180)
- Hit and Run—Death (RCW 46.52.020(4)(a))
- Homicide by Watercraft, by being under the influence of intoxicating liquor or any drug (RCW 79A.60.050)
- Inciting Criminal Profiteering (RCW 9A.82.060(1)(b))
- Malicious placement of an explosive 2 (RCW 70.74.270(2))
- Robbery 1 (RCW 9A.56.200)
- Sexual Exploitation (RCW 9.68A.040)
- VIII Arson 1 (RCW 9A.48.020)
- Commercial Sexual Abuse of a Minor (RCW 9.68A.100)

CRIMES INCLUDED WITHIN EACH
SERIOUSNESS LEVEL

- Homicide by Watercraft, by the operation
of any vessel in a reckless manner
(RCW 79A.60.050)
- Manslaughter 2 (RCW 9A.32.070)
- Promoting Prostitution 1 (RCW
9A.88.070)
- Theft of Ammonia (RCW 69.55.010)
- VII Air bag diagnostic systems (causing
bodily injury or death) (RCW
46.37.660(2)(b))
- Air bag replacement requirements
(causing bodily injury or death)
(RCW 46.37.660(1)(b))
- Burglary 1 (RCW 9A.52.020)
- Child Molestation 2 (RCW 9A.44.086)
- Civil Disorder Training (RCW
9A.48.120)
- Dealing in depictions of minor engaged in
sexually explicit conduct 1 (RCW
9.68A.050(1))
- Drive-by Shooting (RCW 9A.36.045)
- Homicide by Watercraft, by disregard for
the safety of others (RCW
79A.60.050)
- Indecent Liberties (without forcible
compulsion) (RCW 9A.44.100(1) (b)
and (c))
- Introducing Contraband 1 (RCW
9A.76.140)
- Malicious placement of an explosive 3
(RCW 70.74.270(3))
- Manufacture or import counterfeit,
nonfunctional, damaged, or
previously deployed air bag (causing
bodily injury or death) (RCW
46.37.650(1)(b))
- Negligently Causing Death By Use of a
Signal Preemption Device (RCW
46.37.675)

CRIMES INCLUDED WITHIN EACH
SERIOUSNESS LEVEL

- Sale (~~(off)~~) of, install, or reinstall counterfeit, nonfunctional, damaged, or previously deployed airbag (RCW 46.37.650(2)(b))
- Sending, bringing into state depictions of minor engaged in sexually explicit conduct 1 (RCW 9.68A.060(1))
- Unlawful Possession of a Firearm in the first degree (RCW 9.41.040(1))
- Use of a Machine Gun in Commission of a Felony (RCW 9.41.225)
- Vehicular Homicide, by disregard for the safety of others (RCW 46.61.520)
- VI Bail Jumping with Murder 1 (RCW 9A.76.170(3)(a))
- Bribery (RCW 9A.68.010)
- Incest 1 (RCW 9A.64.020(1))
- Intimidating a Judge (RCW 9A.72.160)
- Intimidating a Juror/Witness (RCW 9A.72.110, 9A.72.130)
- Malicious placement of an imitation device 2 (RCW 70.74.272(1)(b))
- Possession of Depictions of a Minor Engaged in Sexually Explicit Conduct 1 (RCW 9.68A.070(1))
- Rape of a Child 3 (RCW 9A.44.079)
- Theft of a Firearm (RCW 9A.56.300)
- Theft from a Vulnerable Adult 1 (RCW 9A.56.400(1))
- Unlawful Storage of Ammonia (RCW 69.55.020)
- V Abandonment of Dependent Person 2 (RCW 9A.42.070)
- Advancing money or property for extortionate extension of credit (RCW 9A.82.030)
- Air bag diagnostic systems (RCW 46.37.660(2)(c))

CRIMES INCLUDED WITHIN EACH
SERIOUSNESS LEVEL

- Air bag replacement requirements (RCW 46.37.660(1)(c))
- Bail Jumping with class A Felony (RCW 9A.76.170(3)(b))
- Child Molestation 3 (RCW 9A.44.089)
- Criminal Mistreatment 2 (RCW 9A.42.030)
- Custodial Sexual Misconduct 1 (RCW 9A.44.160)
- Dealing in Depictions of Minor Engaged in Sexually Explicit Conduct 2 (RCW 9.68A.050(2))
- Domestic Violence Court Order Violation (RCW 10.99.040, 10.99.050, 26.09.300, 26.10.220, 26.26.138, 26.50.110, 26.52.070, or 74.34.145)
- Extortion 1 (RCW 9A.56.120)
- Extortionate Extension of Credit (RCW 9A.82.020)
- Extortionate Means to Collect Extensions of Credit (RCW 9A.82.040)
- Incest 2 (RCW 9A.64.020(2))
- Kidnapping 2 (RCW 9A.40.030)
- Manufacture or import counterfeit, nonfunctional, damaged, or previously deployed air bag (RCW 46.37.650(1)(c))
- Perjury 1 (RCW 9A.72.020)
- Persistent prison misbehavior (RCW 9.94.070)
- Possession of a Stolen Firearm (RCW 9A.56.310)
- Rape 3 (RCW 9A.44.060)
- Rendering Criminal Assistance 1 (RCW 9A.76.070)

CRIMES INCLUDED WITHIN EACH
SERIOUSNESS LEVEL

- Sale (~~(off)~~) of, install, or reinstall counterfeit, nonfunctional, damaged, or previously deployed airbag (RCW 46.37.650(2)(c))
- Sending, Bringing into State Depictions of Minor Engaged in Sexually Explicit Conduct 2 (RCW 9.68A.060(2))
- Sexual Misconduct with a Minor 1 (RCW 9A.44.093)
- Sexually Violating Human Remains (RCW 9A.44.105)
- Stalking (RCW 9A.46.110)
- Taking Motor Vehicle Without Permission 1 (RCW 9A.56.070)
- IV Arson 2 (RCW 9A.48.030)
- Assault 2 (RCW 9A.36.021)
- Assault 3 (of a Peace Officer with a Projectile Stun Gun) (RCW 9A.36.031(1)(h))
- Assault 4 (third domestic violence offense) (RCW 9A.36.041(3))
- Assault by Watercraft (RCW 79A.60.060)
- Bribing a Witness/Bribe Received by Witness (RCW 9A.72.090, 9A.72.100)
- Cheating 1 (RCW 9.46.1961)
- Commercial Bribery (RCW 9A.68.060)
- Counterfeiting (RCW 9.16.035(4))
- Driving While Under the Influence (RCW 46.61.502(6))
- Endangerment with a Controlled Substance (RCW 9A.42.100)
- Escape 1 (RCW 9A.76.110)
- Hit and Run—Injury (RCW 46.52.020(4)(b))
- Hit and Run with Vessel—Injury Accident (RCW 79A.60.200(3))
- Identity Theft 1 (RCW 9.35.020(2))

CRIMES INCLUDED WITHIN EACH
SERIOUSNESS LEVEL

- Indecent Exposure to Person Under Age
Fourteen (subsequent sex offense)
(RCW 9A.88.010)
- Influencing Outcome of Sporting Event
(RCW 9A.82.070)
- Malicious Harassment (RCW 9A.36.080)
- Physical Control of a Vehicle While
Under the Influence (RCW
46.61.504(6))
- Possession of Depictions of a Minor
Engaged in Sexually Explicit
Conduct 2 (RCW 9.68A.070(2))
- Residential Burglary (RCW 9A.52.025)
- Robbery 2 (RCW 9A.56.210)
- Theft of Livestock 1 (RCW 9A.56.080)
- Threats to Bomb (RCW 9.61.160)
- Trafficking in Stolen Property 1 (RCW
9A.82.050)
- Unlawful factoring of a credit card or
payment card transaction (RCW
9A.56.290(4)(b))
- Unlawful transaction of health coverage
as a health care service contractor
(RCW 48.44.016(3))
- Unlawful transaction of health coverage
as a health maintenance organization
(RCW 48.46.033(3))
- Unlawful transaction of insurance
business (RCW 48.15.023(3))
- Unlicensed practice as an insurance
professional (RCW 48.17.063(2))
- Use of Proceeds of Criminal Profiteering
(RCW 9A.82.080 (1) and (2))
- Vehicle Prowling 2 (third or subsequent
offense) (RCW 9A.52.100(3))

CRIMES INCLUDED WITHIN EACH
SERIOUSNESS LEVEL

- Vehicular Assault, by being under the influence of intoxicating liquor or any drug, or by the operation or driving of a vehicle in a reckless manner (RCW 46.61.522)
- Viewing of Depictions of a Minor Engaged in Sexually Explicit Conduct 1 (RCW 9.68A.075(1))
- Willful Failure to Return from Furlough (RCW 72.66.060)
- III Animal Cruelty 1 (Sexual Conduct or Contact) (RCW 16.52.205(3))
- Assault 3 (Except Assault 3 of a Peace Officer With a Projectile Stun Gun) (RCW 9A.36.031 except subsection (1)(h))
- Assault of a Child 3 (RCW 9A.36.140)
- Bail Jumping with class B or C Felony (RCW 9A.76.170(3)(c))
- Burglary 2 (RCW 9A.52.030)
- Communication with a Minor for Immoral Purposes (RCW 9.68A.090)
- Criminal Gang Intimidation (RCW 9A.46.120)
- Custodial Assault (RCW 9A.36.100)
- Cyberstalking (subsequent conviction or threat of death) (RCW 9.61.260(3))
- Escape 2 (RCW 9A.76.120)
- Extortion 2 (RCW 9A.56.130)
- Harassment (RCW 9A.46.020)
- Intimidating a Public Servant (RCW 9A.76.180)
- Introducing Contraband 2 (RCW 9A.76.150)
- Malicious Injury to Railroad Property (RCW 81.60.070)
- Mortgage Fraud (RCW 19.144.080)

CRIMES INCLUDED WITHIN EACH
SERIOUSNESS LEVEL

- Negligently Causing Substantial Bodily
Harm By Use of a Signal Preemption
Device (RCW 46.37.674)
- Organized Retail Theft 1 (RCW
9A.56.350(2))
- Perjury 2 (RCW 9A.72.030)
- Possession of Incendiary Device (RCW
9.40.120)
- Possession of Machine Gun or Short-
Barreled Shotgun or Rifle (RCW
9.41.190)
- Promoting Prostitution 2 (RCW
9A.88.080)
- Retail Theft with Special Circumstances 1
(RCW 9A.56.360(2))
- Securities Act violation (RCW 21.20.400)
- Tampering with a Witness (RCW
9A.72.120)
- Telephone Harassment (subsequent
conviction or threat of death) (RCW
9.61.230(2))
- Theft of Livestock 2 (RCW 9A.56.083)
- Theft with the Intent to Resell 1 (RCW
9A.56.340(2))
- Trafficking in Stolen Property 2 (RCW
9A.82.055)
- Unlawful Hunting of Big Game 1 (RCW
77.15.410(3)(b))
- Unlawful Imprisonment (RCW
9A.40.040)
- Unlawful Misbranding of Food Fish or
Shellfish 1 (RCW 69.04.938(3) as
recodified by this act)
- Unlawful possession of firearm in the
second degree (RCW 9.41.040(2))
- Unlawful Taking of Endangered Fish or
Wildlife 1 (RCW 77.15.120(3)(b))

CRIMES INCLUDED WITHIN EACH
SERIOUSNESS LEVEL

Unlawful Trafficking in Fish, Shellfish, or
Wildlife 1 (RCW 77.15.260(3)(b))

Unlawful Use of a Nondesignated Vessel
(RCW 77.15.530(4))

Vehicular Assault, by the operation or
driving of a vehicle with disregard for
the safety of others (RCW 46.61.522)

Willful Failure to Return from Work
Release (RCW 72.65.070)

II Commercial Fishing Without a License 1
(RCW 77.15.500(3)(b))

Computer Trespass 1 (RCW 9A.90.040)

Counterfeiting (RCW 9.16.035(3))

Electronic Data Service Interference
(RCW 9A.90.060)

Electronic Data Tampering 1 (RCW
9A.90.080)

Electronic Data Theft (RCW 9A.90.100)

Engaging in Fish Dealing Activity
Unlicensed 1 (RCW 77.15.620(3))

Escape from Community Custody (RCW
72.09.310)

Failure to Register as a Sex Offender
(second or subsequent offense)
(RCW 9A.44.130 prior to June 10,
2010, and RCW 9A.44.132)

Health Care False Claims (RCW
48.80.030)

Identity Theft 2 (RCW 9.35.020(3))

Improperly Obtaining Financial
Information (RCW 9.35.010)

Malicious Mischief 1 (RCW 9A.48.070)

Organized Retail Theft 2 (RCW
9A.56.350(3))

Possession of Stolen Property 1 (RCW
9A.56.150)

Possession of a Stolen Vehicle (RCW
9A.56.068)

CRIMES INCLUDED WITHIN EACH
SERIOUSNESS LEVEL

- Retail Theft with Special Circumstances 2
(RCW 9A.56.360(3))
- Scrap Processing, Recycling, or
Supplying Without a License (second
or subsequent offense) (RCW
19.290.100)
- Theft 1 (RCW 9A.56.030)
- Theft of a Motor Vehicle (RCW
9A.56.065)
- Theft of Rental, Leased, Lease-purchased,
or Loaned Property (valued at five
thousand dollars or more) (RCW
9A.56.096(5)(a))
- Theft with the Intent to Resell 2 (RCW
9A.56.340(3))
- Trafficking in Insurance Claims (RCW
48.30A.015)
- Unlawful factoring of a credit card or
payment card transaction (RCW
9A.56.290(4)(a))
- Unlawful Participation of Non-Indians in
Indian Fishery (RCW 77.15.570(2))
- Unlawful Practice of Law (RCW
2.48.180)
- Unlawful Purchase or Use of a License
(RCW 77.15.650(3)(b))
- Unlawful Trafficking in Fish, Shellfish, or
Wildlife 2 (RCW 77.15.260(3)(a))
- Unlicensed Practice of a Profession or
Business (RCW 18.130.190(7))
- Voyeurism 1 (RCW 9A.44.115)
- I Attempting to Elude a Pursuing Police
Vehicle (RCW 46.61.024)
- False Verification for Welfare (RCW
74.08.055)
- Forgery (RCW 9A.60.020)
- Fraudulent Creation or Revocation of a
Mental Health Advance Directive
(RCW 9A.60.060)

CRIMES INCLUDED WITHIN EACH
SERIOUSNESS LEVEL

- Malicious Mischief 2 (RCW 9A.48.080)
- Mineral Trespass (RCW 78.44.330)
- Possession of Stolen Property 2 (RCW 9A.56.160)
- Reckless Burning 1 (RCW 9A.48.040)
- Spotlighting Big Game 1 (RCW 77.15.450(3)(b))
- Suspension of Department Privileges 1 (RCW 77.15.670(3)(b))
- Taking Motor Vehicle Without Permission 2 (RCW 9A.56.075)
- Theft 2 (RCW 9A.56.040)
- Theft from a Vulnerable Adult 2 (RCW 9A.56.400(2))
- Theft of Rental, Leased, Lease-purchased, or Loaned Property (valued at seven hundred fifty dollars or more but less than five thousand dollars) (RCW 9A.56.096(5)(b))
- Transaction of insurance business beyond the scope of licensure (RCW 48.17.063)
- Unlawful Fish and Shellfish Catch Accounting (RCW 77.15.630(3)(b))
- Unlawful Issuance of Checks or Drafts (RCW 9A.56.060)
- Unlawful Possession of Fictitious Identification (RCW 9A.56.320)
- Unlawful Possession of Instruments of Financial Fraud (RCW 9A.56.320)
- Unlawful Possession of Payment Instruments (RCW 9A.56.320)
- Unlawful Possession of a Personal Identification Device (RCW 9A.56.320)
- Unlawful Production of Payment Instruments (RCW 9A.56.320)

CRIMES INCLUDED WITHIN EACH
SERIOUSNESS LEVEL

- Unlawful Releasing, Planting, Possessing,
or Placing Deleterious Exotic
Wildlife (RCW 77.15.250(2)(b))
- Unlawful Trafficking in Food Stamps
(RCW 9.91.142)
- Unlawful Use of Food Stamps (RCW
9.91.144)
- Unlawful Use of Net to Take Fish 1
(RCW 77.15.580(3)(b))
- Unlawful Use of Prohibited Aquatic
Animal Species (RCW 77.15.253(3))
- Vehicle Prowl 1 (RCW 9A.52.095)
- Violating Commercial Fishing Area or
Time 1 (RCW 77.15.550(3)(b))

PART VIII
REPEALERS

NEW SECTION. **Sec. 801.** The following acts or parts of acts are each repealed:

- (1) RCW 69.04.021 ("Package") and 1963 c 198 s 8;
- (2) RCW 69.04.022 ("Pesticide chemical") and 1963 c 198 s 9;
- (3) RCW 69.04.023 ("Raw agricultural commodity") and 1963 c 198 s 10;
- (4) RCW 69.04.024 ("Food additive," "safe") and 2009 c 549 s 1020 & 1963 c 198 s 11;
- (5) RCW 69.04.025 ("Color additive," "color") and 1963 c 198 s 12;
- (6) RCW 69.04.123 (Exception to petition requirement under RCW 69.04.120) and 1995 c 374 s 20;
- (7) RCW 69.04.190 (Standards may be prescribed by regulations) and 2012 c 117 s 333 & 1945 c 257 s 37;
- (8) RCW 69.04.200 (Conformance with federal standards) and 1945 c 257 s 38;
- (9) RCW 69.04.205 (Bacon—Packaging at retail to reveal quality and leanness) and 1971 c 49 s 1;
- (10) RCW 69.04.206 (Bacon—Rules, regulations, and standards—Withholding packaging use—Hearing—Final determination—Appeal) and 2012 c 117 s 334 & 1971 c 49 s 2;
- (11) RCW 69.04.207 (Bacon—Effective date) and 1971 c 49 s 3;
- (12) RCW 69.04.210 (Food—Adulteration by poisonous or deleterious substance) and 1963 c 198 s 1 & 1945 c 257 s 39;
- (13) RCW 69.04.220 (Food—Adulteration by abstraction, addition, substitution, etc.) and 1945 c 257 s 40;
- (14) RCW 69.04.231 (Food—Adulteration by color additive) and 1963 c 198 s 5;

(15) RCW 69.04.240 (Confectionery—Adulteration) and 2007 c 226 s 3, 1984 c 78 s 2, & 1945 c 257 s 42;

(16) RCW 69.04.245 (Poultry—Improper use of state's geographic outline) and 1989 c 257 s 2;

(17) RCW 69.04.250 (Food—Misbranding by false label, etc.) and 1945 c 257 s 43;

(18) RCW 69.04.260 (Packaged food—Misbranding) and 1945 c 257 s 44;

(19) RCW 69.04.270 (Food—Misbranding by lack of prominent label) and 1945 c 257 s 45;

(20) RCW 69.04.280 (Food—Misbranding for nonconformity with standard of identity) and 1945 c 257 s 46;

(21) RCW 69.04.290 (Food—Misbranding for nonconformity with standard of quality) and 1945 c 257 s 47;

(22) RCW 69.04.300 (Food—Misbranding for nonconformity with standard of fill) and 1945 c 257 s 48;

(23) RCW 69.04.310 (Food—Misbranding by failure to show usual name and ingredients) and 1945 c 257 s 49;

(24) RCW 69.04.320 (Food—Misbranding by failure to show dietary properties) and 1945 c 257 s 50;

(25) RCW 69.04.330 (Food—Misbranding by failure to show artificial flavoring, coloring, etc.) and 1945 c 257 s 51;

(26) RCW 69.04.331 (Popcorn sold by theaters or commercial food service establishments—Misbranded if the use of butter or ingredients of butter-like flavoring not disclosed) and 2012 c 25 s 1 & 1986 c 203 s 17;

(27) RCW 69.04.333 (Poultry and poultry products—Label to indicate if product frozen) and 1969 ex.s. c 194 s 1;

(28) RCW 69.04.334 (Turkeys—Label requirement as to grading) and 1969 ex.s. c 194 s 2;

(29) RCW 69.04.335 (RCW 69.04.333 and 69.04.334 subject to enforcement and penalty provisions of chapter) and 1969 ex.s. c 194 s 3;

(30) RCW 69.04.340 (Natural vitamin, mineral, or dietary properties need not be shown) and 1945 c 257 s 52;

(31) RCW 69.04.345 (Direct seller license) and 2014 c 98 s 2;

(32) RCW 69.04.350 (Permits to manufacture or process certain foods) and 2012 c 117 s 335 & 1945 c 257 s 53;

(33) RCW 69.04.360 (Suspension of permit) and 1945 c 257 s 54;

(34) RCW 69.04.380 (Food exempt if in transit for completion purposes) and 1945 c 257 s 56;

(35) RCW 69.04.390 (Regulations permitting tolerance of harmful matter) and 2012 c 117 s 336, 1963 c 198 s 2, & 1945 c 257 s 57;

(36) RCW 69.04.392 (Regulations permitting tolerance of harmful matter—Pesticide chemicals in or on raw agricultural commodities) and 2012 c 117 s 337, 1975 1st ex.s. c 7 s 26, & 1963 c 198 s 3;

(37) RCW 69.04.394 (Regulations permitting tolerance of harmful matter—Food additives) and 2009 c 549 s 1021, 1975 1st ex.s. c 7 s 27, & 1963 c 198 s 4;

(38) RCW 69.04.396 (Regulations permitting tolerance of harmful matter—Color additives) and 2009 c 549 s 1022, 1975 1st ex.s. c 7 s 28, & 1963 c 198 s 6;

(39) RCW 69.04.398 (Purpose of RCW 69.04.110, 69.04.392, 69.04.394, 69.04.396—Uniformity with federal laws and regulations—Application to production of kosher food products—Adoption of rules) and 1991 c 162 s 5, 1986 c 203 s 18, & 1975 1st ex.s. c 7 s 36;

(40) RCW 69.04.400 (Conformance with federal regulations) and 1963 c 198 s 7 & 1945 c 257 s 58;

(41) RCW 69.04.870 (Short title) and 1945 c 257 s 1;

(42) RCW 69.04.900 (Perishable packaged food—Pull date labeling—Definitions) and 1974 ex.s. c 57 s 1 & 1973 1st ex.s. c 112 s 1;

(43) RCW 69.04.905 (Perishable packaged food—Pull date labeling—Required) and 1974 ex.s. c 57 s 2 & 1973 1st ex.s. c 112 s 2;

(44) RCW 69.04.910 (Perishable packaged food—Pull date labeling—Selling or trading goods beyond pull date—Repackaging to substitute for original date—Exception) and 1973 1st ex.s. c 112 s 3;

(45) RCW 69.04.915 (Perishable packaged food—Pull date labeling—Storage—Rules and regulations) and 2012 c 117 s 344, 1989 1st ex.s. c 9 s 225, & 1973 1st ex.s. c 112 s 4;

(46) RCW 69.04.920 (Perishable packaged food—Pull date labeling—Penalties) and 1973 1st ex.s. c 112 s 5;

(47) RCW 69.04.930 (Frozen fish and meat—Labeling requirements—Exceptions) and 2003 c 39 s 28, 1999 c 291 s 32, 1988 c 254 s 8, 1983 1st ex.s. c 46 s 179, & 1975 c 39 s 1;

(48) RCW 69.04.940 (Imported lamb products—Labeling requirements) and 1987 c 393 s 25;

(49) RCW 69.04.950 (Transport of bulk foods—Definitions) and 1990 c 202 s 1;

(50) RCW 69.04.955 (Transport of bulk foods—Prohibitions—Exemption) and 1990 c 202 s 2;

(51) RCW 69.04.960 (Transport of bulk foods—Compatible substances—Cleaning vehicle or vessel—Vehicle or vessel marking) and 1990 c 202 s 3;

(52) RCW 69.04.965 (Transport of bulk foods—Transports not constituting violations) and 1990 c 202 s 4;

(53) RCW 69.04.970 (Transport of bulk foods—Substances rendering vehicle or vessel permanently unsuitable for bulk food transport—Procedures to rehabilitate vehicles and vessels) and 1990 c 202 s 5;

(54) RCW 69.04.975 (Transport of bulk foods—Rehabilitation of vehicles and vessels—Inspection—Certification—Marking—Costs) and 1990 c 202 s 6; and

(55) RCW 69.04.980 (Transport of bulk foods—Penalties) and 1990 c 202 s 7.

PART IX

MISCELLANEOUS PROVISIONS

NEW SECTION. Sec. 901. SHORT TITLE. This chapter may be known and cited as the food safety and security act.

NEW SECTION. Sec. 902. CONSTRUCTION. This chapter and the rules adopted under it must be construed to promote uniformity with federal acts and regulations relating to adulteration, misbranding, and false advertising of food.

NEW SECTION. Sec. 903. (1) Sections 1, 101 through 105, 201 through 205, 301 and 302, 401 through 404, 501 through 509, 901, and 902 of this act constitute a new chapter in Title 15 RCW, with the following subchapters.

(a) Sections 101 through 105 of this act must be codified under the subchapter heading of "general provisions."

(b) Sections 201 through 205 of this act must be codified under the subchapter heading "general quality standards and requirements."

(c) Sections 301 and 302 of this act must be codified under the subchapter heading "special quality or labeling requirements."

(d) Sections 401 through 404 of this act must be codified under the subchapter heading "licenses."

(e) Sections 501 through 509 of this act must be codified under the subchapter heading "investigation, enforcement, and emergency authority."

(f) Sections 901 and 902 of this act must be codified under the subchapter heading "miscellaneous provisions."

(2) The code reviser shall provide a gap in the numbering between the end of the subchapter "special quality and labeling requirements" and the beginning of the subchapter "licenses" to accommodate future addition of amendments and subchapters, to the chapter.

NEW SECTION. Sec. 904. RCW 69.04.928, 69.04.932, 69.04.933, 69.04.934, 69.04.935, and 69.04.938 are each recodified as sections in a new chapter in Title 77 RCW.

Passed by the Senate February 8, 2018.

Passed by the House March 2, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 237

[Substitute House Bill 1209]

CREDIT UNIONS AS PUBLIC DEPOSITORIES--MUNICIPALITIES

AN ACT Relating to municipal access to local financial services; and amending RCW 39.58.010, 39.58.105, and 39.50.240.

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

Sec. 1. RCW 39.58.010 and 2016 c 152 s 1 are each amended to read as follows:

In this chapter, unless the context otherwise requires:

(1) "Capitalization" means the measure or measures of capitalization, other than net worth, of a depository applying for designation as or operating as a public depository pursuant to this chapter, based upon regulatory standards of financial institution capitalization adopted by rule or resolution of the commission after consultation with the director of the department of financial institutions;

(2) "Collateral" means the particular assets pledged as security to insure payment or performance of the obligations under this chapter as enumerated in RCW 39.58.050;

(3) "Commission" means the Washington public deposit protection commission created under RCW 39.58.030;

(4) "Commission report" means a formal accounting rendered by all public depositories to the commission in response to a demand for specific information made by the commission detailing pertinent affairs of each public depository as of the close of business on a specified date, which is the "commission report date." "Commission report due date" is the last day for the timely filing of a commission report;

(5) "Depository pledge agreement" means a tripartite agreement executed by the commission with a financial institution and its designated trustee. Such agreement shall be approved by the directors or the loan committee of the financial institution and shall continuously be a record of the financial institution. New securities may be pledged under this agreement in substitution of or in addition to securities originally pledged without executing a new agreement;

(6) "Director of the department of financial institutions" means the Washington state director of the department of financial institutions;

(7) "Eligible collateral" means the securities or letters of credit enumerated in RCW 39.58.050 (5), (6), and (7);

(8) "Financial institution" means any national or state chartered commercial bank or trust company, savings bank, ((~~or~~)) savings association, or federal or state chartered credit union, or branch or branches thereof, located in this state and lawfully engaged in business;

(9) "Investment deposits" means time deposits, money market deposit accounts, and savings deposits of public funds available for investment. "Investment deposits" do not include time deposits represented by a transferable or a negotiable certificate, instrument, passbook, or statement, or by book entry or otherwise;

(10) "Liquidity" means the measure or measures of liquidity of a depository applying for designation as or operating as a public depository pursuant to this chapter, based upon regulatory standards of financial institution liquidity adopted by rule or resolution of the commission after consultation with the director of the department of financial institutions;

(11) "Loss" means the issuance of an order by a regulatory or supervisory authority or a court of competent jurisdiction (a) restraining a public depository from making payments of deposit liabilities or (b) appointing a receiver for a public depository;

(12) "Maximum liability," with reference to a public depository's liability under this chapter for loss per occurrence by another public depository, on any given date means:

(a) A sum equal to ten percent of:

(i) All uninsured public deposits held by a public depository that has not incurred a loss by the then most recent commission report date; or

(ii) The average of the balances of said uninsured public deposits on the last four immediately preceding reports required pursuant to RCW 39.58.100, whichever amount is greater; or

(b) Such other sum or measure as the commission may from time to time set by resolution according to criteria established by rule, consistent with the commission's broad administrative discretion to achieve the objective of RCW 39.58.020.

As long as the uninsured public deposits of a public depository are one hundred percent collateralized by eligible collateral as provided for in RCW 39.58.050, the "maximum liability" of a public depository that has not incurred a loss may not exceed the amount set forth in (a) of this subsection.

This definition of "maximum liability" does not limit the authority of the commission to adjust the collateral requirements of public depositories pursuant to RCW 39.58.040;

(13) "Net worth" of a public depository means (a) the equity capital as reported to its primary regulatory authority on the quarterly report of condition or statement of condition, or other required report required by its primary regulatory authority or federal deposit insurer, and may include capital notes and debentures which are subordinate to the interests of depositors, or (b) equity capital adjusted by rule or resolution of the commission after consultation with the director of the department of financial institutions;

(14) "Public deposit" means public funds on deposit with a public depository;

(15) "Public depository" means a financial institution that has been approved by the commission to hold public deposits, and has segregated, for the benefit of the commission, eligible collateral having a value of not less than its maximum liability~~(, and, unless otherwise provided for in this chapter, does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state)~~;

(16) "Public funds" means moneys under the control of a treasurer, the state treasurer, or custodian belonging to, or held for the benefit of, the state or any of its political subdivisions, public corporations, municipal corporations, agencies, courts, boards, commissions, or committees, including moneys held as trustee, agent, or bailee belonging to, or held for the benefit of, the state or any of its political subdivisions, public corporations, municipal corporations, agencies, courts, boards, commissions, or committees;

(17) "Public funds available for investment" means such public funds as are in excess of the anticipated cash needs throughout the duration of the contemplated investment period;

(18) "State public depository" means a Washington state-chartered financial institution that is authorized as a public depository under this chapter;

(19) "State treasurer" means the treasurer of the state of Washington;

(20) "Treasurer" means a county treasurer, a city treasurer, a treasurer of any other municipal corporation, and any other custodian of public funds, except the state treasurer;

(21) "Trustee" means a third-party safekeeping agent which has completed a depository pledge agreement with a public depository and the commission. Such third-party safekeeping agent may be a federal home loan bank, or such other third-party safekeeping agent approved by the commission.

Sec. 2. RCW 39.58.105 and 2016 c 152 s 3 are each amended to read as follows:

(1) The commission may require the state auditor or the director of the department of financial institutions, to the extent of their respective authority under applicable federal and Washington state law, to thoroughly investigate and report to it concerning the condition of any financial institution which makes application to become a public depository, and may also as often as it deems

necessary require the state auditor or the director of the department of financial institutions, to the extent of their respective authority under applicable federal and Washington state law, to make such investigation and report concerning the condition of any financial institution which has been designated as a public depository. The expense of all such investigations or reports shall be borne by the financial institution examined.

(2) In lieu of any such investigation or report, the commission may rely upon information made available to it or the director of the department of financial institutions by the office of the comptroller of the currency, the national credit union administration, the federal deposit insurance corporation, the federal reserve board, any state financial institutions regulatory agency, or any successor state or federal financial institutions regulatory agency, and any such information or data received by the commission shall be kept and maintained in the same manner and have the same protections as examination reports received by the commission from the director of the department of financial institutions pursuant to RCW 30A.04.075(2)(h) ~~((and))~~, 32.04.220(2)(h), and 31.12.565(2)(j).

(3) The director of the department of financial institutions shall in addition advise the commission of any action he or she has directed any state public depository to take which will result in a reduction of greater than ten percent of the net worth of such depository as shown on the most recent report it submitted pursuant to RCW 39.58.100.

Sec. 3. RCW 39.58.240 and 2012 c 26 s 1 are each amended to read as follows:

~~((1) Solely for the purpose of receiving public deposits that may total no more than the maximum deposit insured by the national credit union share insurance fund, a credit union is a public depository subject to RCW 39.58.040 and 39.58.100. The maximum deposit applies to all funds attributable to any one depositor of public funds in any one credit union. A credit union is not a public depository for any other purpose under this chapter, including but not limited to inclusion in the single public depository pool under RCW 39.58.200.~~

~~(2) For the purposes of this section, a credit union includes a state chartered credit union chartered under chapter 31.12 RCW, or a credit union chartered under federal law.)~~ A credit union may only accept deposits greater than the maximum insured amount from a public funds depositor that either is a county with a population of three hundred thousand persons or less or is a public funds depositor located within a county with a population of three hundred thousand persons or less.

Passed by the House March 5, 2018.

Passed by the Senate March 2, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 238

[Substitute Senate Bill 6051]

MEDICAID FRAUD CONTROL UNIT

AN ACT Relating to the medicaid fraud control unit; and adding a new chapter to Title 74 RCW.

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

NEW SECTION. Sec. 1. The legislature finds that medicaid provider fraud and the abuse and neglect of persons in nursing facilities, adult family homes, and long-term care services present a serious risk of harm to the people of the state of Washington in general and to vulnerable adults in particular. The legislature intends with this chapter to enable the medicaid fraud control unit within the office of the attorney general to achieve its limited but vital mission to detect, deter, and prosecute the specialized areas of medicaid fraud, abuse, and neglect in Washington's medicaid system. This jurisdiction will also facilitate the medicaid fraud control unit's capacity to fulfill its investigative and prosecutorial obligations under the federal grant, 42 U.S.C. Sec. 1396b(q), to ensure that the federal grant funding requirements for Washington's medicaid program are met. Failure to meet these federal program integrity standards could jeopardize the federal funding for Washington's medicaid program. Furthermore, the legislature intends by this chapter that the medicaid fraud control unit will fully coordinate its efforts with county and local prosecutors and law enforcement to maximize effectiveness and promote efficiency.

NEW SECTION. Sec. 2. (1) The attorney general shall establish and maintain within his or her office the medicaid fraud control unit.

(2) The attorney general shall employ and train personnel to achieve the purposes of this chapter, including attorneys, investigators, auditors, clerical support personnel, and other personnel as the attorney general determines necessary.

(3) The medicaid fraud control unit has the authority and criminal jurisdiction to investigate and prosecute medicaid provider fraud, abuse and neglect matters as enumerated in 42 U.S.C. Sec. 1396b(q)(4) where authority is granted by the federal government, and other federal health care program fraud as set forth in 42 U.S.C. Sec. 1396b(q).

(4) The medicaid fraud control unit shall cooperate with federal and local investigators and prosecutors in coordinating local, state, and federal investigations and prosecutions involving fraud in the provision or administration of medical assistance, goods or services pursuant to medicaid, medicaid managed care, abuse and neglect matters as enumerated in 42 U.S.C. Sec. 1396b(q)(4), or medicare where such authority is obtained from the federal government, and provide those federal officers with any information in its possession regarding such an investigation or prosecution.

(5) The medicaid fraud control unit shall protect the privacy of patients and establish procedures to ensure confidentiality for all records, in accordance with state and federal laws, including but not limited to chapter 70.02 RCW and the federal health insurance portability and accountability act.

(6) The attorney general may appoint medicaid fraud control investigators to detect, investigate, and apprehend when it appears that a violation of criminal law relating to medicaid fraud, medicaid managed care fraud, medicare fraud, or abuse and neglect matters as enumerated in 42 U.S.C. Sec. 1396b(q)(4) has been or is about to be committed and specify the extent and limitations of the investigators' duties and authority in carrying out the limited scope and purposes of this chapter.

(7) The department of social and health services or law enforcement agencies that receive mandatory reports under RCW 74.34.035 may share such reports in a timely manner with the medicaid fraud control unit within the office of the attorney general.

NEW SECTION. Sec. 3. Sections 1 and 2 of this act constitute a new chapter in Title 74 RCW.

Passed by the Senate March 5, 2018.

Passed by the House February 27, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 239

[Substitute House Bill 2322]

PROPERTY INSURANCE--RISK MITIGATION GOODS AND SERVICES

AN ACT Relating to risk mitigation in property insurance; adding new sections to chapter 48.18 RCW; adding a new section to chapter 48.19 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 allowing property insurers to assist their insureds with risk mitigation and/or prevention goods and/or services could help prevent, or reduce the severity of claims and losses. The legislature further finds that property insurers engage in supporting insureds through disaster or emergency response activities when there is an imminent threat of damage to insured property, such as wildfire prevention defense efforts that provide fire retardants to homes in a wildfire area or send crews to combat wildfires to protect insureds' homes. The legislature further finds that assisting insureds with risk mitigation and prevention and providing disaster or emergency response activities are both useful in preventing economic loss, and should be exempt from the prohibition against inducements under RCW 48.30.140 and 48.30.150.

NEW SECTION. Sec. 2. A new section is added to chapter 48.18 RCW to read as follows:

(1) With the prior approval of the commissioner, a property insurer may include the following either goods or services, or both, intended to reduce either the probability of loss, or the extent of loss, or both, from a covered event as part of a policy of property insurance, except commercial property insurance:

- (a) Goods, including a water monitor;
- (b) Foundation strapping to mitigate losses due to earthquake;
- (c) Ongoing services, including home safety monitoring or brush clearing to mitigate losses due to wildfire; and
- (d) Other either goods or services, or both, as the commissioner may identify by rule.

(2) Any goods provided are owned by the insured, even if the insurance is subsequently canceled.

(3) The value of goods and services to be provided is limited to one thousand five hundred dollars in value in the aggregate in any twelve-month period.

(4) In order to receive prior approval of the commissioner, and except as provided in subsection (6) of this section, the property insurer must include the following in its rate filing:

(a) A description of either the specific goods or services, or both, to be offered;

(b) A description of the method of delivering either the specific goods or services, or both, being offered; and

(c) The selection criteria for insureds receiving either the specific goods or services, or both, being offered.

(5) This section does not require the commissioner to approve any particular proposed benefit. The commissioner may disapprove any proposed noninsurance benefit that the commissioner determines may tend to promote or facilitate the violation of any other section of this title. However, if the commissioner approves the inclusion of either the goods or services, or both, in a policy of property insurance, except commercial property insurance, it does not constitute a violation of RCW 48.30.140 or 48.30.150.

(6)(a) A property insurer may conduct a pilot program as either a risk mitigation or prevention, or both, strategy through which the insurer offers or provides risk mitigation and/or prevention goods and/or services identified in subsection (1) of this section in connection with an insurance policy covering property risks, except commercial property insurance, in accordance with rules adopted by the commissioner.

(b) A property insurer offering or providing risk mitigation and/or prevention goods and/or services through a pilot program under this subsection is exempt from including information about the risk mitigation and/or prevention goods and/or services in its rate filing as is otherwise required under subsection (4) of this section and section 3 of this act.

(c) A property insurer's pilot program may last no longer than two years.

(7) This section does not apply to disaster or emergency response activities of a property insurer.

NEW SECTION. Sec. 3. A new section is added to chapter 48.19 RCW to read as follows:

(1) Except as provided in subsection (2) of this section, in addition to other information required by this chapter, a rate filing by a property insurer for a policy, except commercial property insurance, that includes risk mitigation and/or prevention goods and/or services under section 2 of this act, must demonstrate that its rates account for the expected costs of the goods and services and the reduction in expected claims costs resulting from either the goods or services, or both.

(2) This section does not apply to:

(a) A property insurer offering or providing risk mitigation and/or prevention goods and/or services through a pilot program established in section 2(6) of this act; or

(b) Disaster or emergency response activities of a property insurer.

NEW SECTION. Sec. 4. A new section is added to chapter 48.18 RCW to read as follows:

The commissioner may adopt rules as necessary to implement sections 2 and 3 of this act, including but not limited to:

(1) Rules requiring a notice to insureds or potential insureds regarding their ability to opt out of receiving any risk mitigation and/or prevention goods and/or services;

(2) Rules increasing the value of either the goods or services, or both, permitted under section 2(1) of this act;

(3) Rules establishing requirements for pilot programs authorized under section 2(6) of this act; and

(4) Rules identifying which insurer disaster or emergency response activities are exempt from sections 2 and 3 of this act and RCW 48.30.140 and 48.30.150.

Passed by the House March 6, 2018.

Passed by the Senate March 2, 2018.

Approved by the Governor March 22, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 240

[Engrossed Substitute House Bill 1952]

ELECTRICAL LAWS--ENFORCEMENT BY CITIES AND TOWNS

AN ACT Relating to enforcement of the electrical laws; amending RCW 19.28.010; adding a new section to chapter 19.28 RCW; and prescribing penalties.

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

Sec. 1. RCW 19.28.010 and 2001 c 211 s 2 are each amended to read as follows:

(1) All wires and equipment, and installations thereof, that convey electric current and installations of equipment to be operated by electric current, in, on, or about buildings or structures, except for telephone, telegraph, radio, and television wires and equipment, and television antenna installations, signal strength amplifiers, and coaxial installations pertaining thereto shall be in strict conformity with this chapter, the statutes of the state of Washington, and the rules issued by the department, and shall be in conformity with approved methods of construction for safety to life and property. All wires and equipment that fall within section 90.2(b)(5) of the National Electrical Code, 1981 edition, are exempt from the requirements of this chapter. The regulations and articles in the National Electrical Code, the national electrical safety code, and other installation and safety regulations approved by the national fire protection association, as modified or supplemented by rules issued by the department in furtherance of safety to life and property under authority hereby granted, shall be prima facie evidence of the approved methods of construction. All materials, devices, appliances, and equipment used in such installations shall be of a type that conforms to applicable standards or be indicated as acceptable by the established standards of any electrical product testing laboratory which is accredited by the department. Industrial control panels, utilization equipment, and their components do not need to be listed, labeled, or otherwise indicated as acceptable by an accredited electrical product testing laboratory unless specifically required by the National Electrical Code, 1993 edition.

(2) Residential buildings or structures moved into or within a county, city, or town are not required to comply with all of the requirements of this chapter, if

the original occupancy classification of the building or structure is not changed as a result of the move. This subsection shall not apply to residential buildings or structures that are substantially remodeled or rehabilitated.

(3) This chapter shall not limit the authority or power of any city or town to enact and enforce under authority given by law, any ordinance, rule, or regulation requiring an equal, higher, or better standard of construction and an equal, higher, or better standard of materials, devices, appliances, and equipment than that required by this chapter. A city or town shall require that its electrical inspectors meet the qualifications provided for state electrical inspectors in accordance with RCW 19.28.321. In a city or town having an equal, higher, or better standard the installations, materials, devices, appliances, and equipment shall be in accordance with the ordinance, rule, or regulation of the city or town.

(4) Incorporated cities and towns where electrical inspections are required by local ordinances may enforce the provisions of RCW 19.28.041(1), 19.28.161, 19.28.271(1), 19.28.420(1), and applicable licensing and certification rules within their respective jurisdictions. Nothing in this subsection diminishes the authority of the department to enforce the provisions of RCW 19.28.041(1), 19.28.161, 19.28.271(1), 19.28.420(1), and applicable licensing and certification rules within any city or town.

(5) Electrical equipment associated with spas, hot tubs, swimming pools, and hydromassage bathtubs shall not be offered for sale or exchange unless the electrical equipment is certified as being in compliance with the applicable product safety standard by bearing the certification mark of an approved electrical products testing laboratory.

~~((4))~~ (6) Nothing in this chapter may be construed as permitting the connection of any conductor of any electric circuit with a pipe that is connected with or designed to be connected with a waterworks piping system, without the consent of the person or persons legally responsible for the operation and maintenance of the waterworks piping system.

NEW SECTION. Sec. 2. A new section is added to chapter 19.28 RCW to read as follows:

This chapter shall not limit the authority or power of any city or town where electrical inspections are required by local ordinances to enact and enforce under authority given by law, any ordinance, rule, or regulation enforcing the same requirements of this chapter for having or possessing or displaying a license or a certificate, employing certified individuals, supervision of trainees, or duties of an administrator in their respective jurisdictions. Penalties are to be established within the limits provided in this chapter. No person, firm, partnership, corporation, or other entity may be penalized by both a city or town and the department for the same violation. Each day that a person, firm, partnership, corporation, or other entity violates this chapter is a separate violation. Penalties upheld through an appellate process of a city or town may be appealed to the board by filing a written notice of appeal to the secretary of the board. All costs of an appeal under this section payable from the electrical license fund shall be reimbursed by the city or town that is party to the matter. The process for service and hearings before the board shall be conducted according to the rules enacted by the department.

Passed by the House March 3, 2018.

Passed by the Senate February 28, 2018.

Approved by the Governor March 23, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 241

[Substitute House Bill 1558]

PUBLIC SAFETY EMPLOYEES' RETIREMENT SYSTEM MEMBERSHIP--NURSING CARE EMPLOYEES

AN ACT Relating to membership in the Washington public safety employees' retirement system for employees who provide nursing care to, or ensure the custody and safety of, offender, probationary, and patient populations in institutions and centers; amending RCW 41.37.010; and adding a new section to chapter 41.37 RCW.

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

Sec. 1. RCW 41.37.010 and 2012 c 236 s 5 are each amended to read as follows:

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

(1) "Accumulated contributions" means the sum of all contributions standing to the credit of a member in the member's individual account, including any amount paid under RCW 41.50.165(2), together with the regular interest thereon.

(2) "Actuarial equivalent" means a benefit of equal value when computed upon the basis of such mortality and other tables as may be adopted by the director.

(3) "Adjustment ratio" means the value of index A divided by index B.

(4) "Annuity" means payments for life derived from accumulated contributions of a member. All annuities shall be paid in monthly installments.

(5)(a) "Average final compensation" means the member's average compensation earnable of the highest consecutive sixty months of service credit months prior to such member's retirement, termination, or death. Periods constituting authorized leaves of absence may not be used in the calculation of average final compensation except under RCW 41.37.290.

(b) In calculating average final compensation under (a) of this subsection, the department of retirement systems shall include:

(i) Any compensation forgone by a member employed by a state agency or institution during the 2009-2011 fiscal biennium as a result of reduced work hours, mandatory or voluntary leave without pay, temporary reduction in pay implemented prior to December 11, 2010, or temporary layoffs if the reduced compensation is an integral part of the employer's expenditure reduction efforts, as certified by the employer; and

(ii) Any compensation forgone by a member employed by the state or a local government employer during the 2011-2013 fiscal biennium as a result of reduced work hours, mandatory leave without pay, temporary layoffs, or reductions to current pay if the reduced compensation is an integral part of the employer's expenditure reduction efforts, as certified by the employer. Reductions to current pay shall not include elimination of previously agreed upon future salary increases.

(6) "Beneficiary" means any person in receipt of a retirement allowance or other benefit provided by this chapter resulting from service rendered to an employer by another person.

(7)(a) "Compensation earnable" for members, means salaries or wages earned by a member during a payroll period for personal services, including overtime payments, and shall include wages and salaries deferred under provisions established pursuant to sections 403(b), 414(h), and 457 of the United States internal revenue code, but shall exclude nonmoney maintenance compensation and lump sum or other payments for deferred annual sick leave, unused accumulated vacation, unused accumulated annual leave, or any form of severance pay.

(b) "Compensation earnable" for members also includes the following actual or imputed payments, which are not paid for personal services:

(i) Retroactive payments to an individual by an employer on reinstatement of the employee in a position, or payments by an employer to an individual in lieu of reinstatement, which are awarded or granted as the equivalent of the salary or wage which the individual would have earned during a payroll period shall be considered compensation earnable to the extent provided in this subsection, and the individual shall receive the equivalent service credit;

(ii) In any year in which a member serves in the legislature, the member shall have the option of having such member's compensation earnable be the greater of:

(A) The compensation earnable the member would have received had such member not served in the legislature; or

(B) Such member's actual compensation earnable received for nonlegislative public employment and legislative service combined. Any additional contributions to the retirement system required because compensation earnable under (b)(ii)(A) of this subsection is greater than compensation earnable under (b)(ii)(B) of this subsection shall be paid by the member for both member and employer contributions;

(iii) Assault pay only as authorized by RCW 27.04.100, 72.01.045, and 72.09.240;

(iv) Compensation that a member would have received but for a disability occurring in the line of duty only as authorized by RCW 41.37.060;

(v) Compensation that a member receives due to participation in the leave sharing program only as authorized by RCW 41.04.650 through 41.04.670; and

(vi) Compensation that a member receives for being in standby status. For the purposes of this section, a member is in standby status when not being paid for time actually worked and the employer requires the member to be prepared to report immediately for work, if the need arises, although the need may not arise.

(8) "Department" means the department of retirement systems created in chapter 41.50 RCW.

(9) "Director" means the director of the department.

(10) "Eligible position" means any permanent, full-time position included in subsection (19) of this section.

(11) "Employee" or "employed" means a person who is providing services for compensation to an employer, unless the person is free from the employer's

direction and control over the performance of work. The department shall adopt rules and interpret this subsection consistent with common law.

(12) "Employer" means the Washington state department of corrections, the Washington state parks and recreation commission, the Washington state gambling commission, the Washington state patrol, the Washington state department of natural resources, ~~((and))~~ the Washington state liquor ~~((control))~~ and cannabis board, the Washington state department of veterans affairs, and the Washington state department of social and health services; any county corrections department; any city corrections department not covered under chapter 41.28 RCW; and any public corrections entity created under RCW 39.34.030 by counties, cities not covered under chapter 41.28 RCW, or both. Except as otherwise specifically provided in this chapter, "employer" does not include a government contractor. For purposes of this subsection, a "government contractor" is any entity, including a partnership, limited liability company, for-profit or nonprofit corporation, or person, that provides services pursuant to a contract with an employer. The determination whether an employer-employee relationship has been established is not based on the relationship between a government contractor and an employer, but is based solely on the relationship between a government contractor's employee and an employer under this chapter.

(13) "Final compensation" means the annual rate of compensation earnable by a member at the time of termination of employment.

(14) "Index" means, for any calendar year, that year's annual average consumer price index, Seattle, Washington area, for urban wage earners and clerical workers, all items, compiled by the bureau of labor statistics, United States department of labor.

(15) "Index A" means the index for the year prior to the determination of a postretirement adjustment.

(16) "Index B" means the index for the year prior to index A.

(17) "Ineligible position" means any position which does not conform with the requirements set forth in subsection (10) of this section.

(18) "Leave of absence" means the period of time a member is authorized by the employer to be absent from service without being separated from membership.

(19) "Member" means any employee employed by an employer on a full-time basis:

(a) Who is in a position that requires completion of a certified criminal justice training course and is authorized by their employer to arrest, conduct criminal investigations, enforce the criminal laws of the state of Washington, and carry a firearm as part of the job;

(b) Whose primary responsibility is to ensure the custody and security of incarcerated or probationary individuals as a corrections officer, probation officer, or jailer;

(c) Who is a limited authority Washington peace officer, as defined in RCW 10.93.020, for an employer; ~~((or))~~

(d) Whose primary responsibility is to provide nursing care to, or to ensure the custody and safety of, offender, adult probationary, or patient populations; and who is in a position that requires completion of defensive tactics training or

deescalation training; and who is employed by one of the following state institutions or centers operated by the department of social and health services:

(i) Juvenile rehabilitation administration institutions, not including community facilities;

(ii) Mental health hospitals;

(iii) Child study and treatment centers; or

(iv) Institutions or residential sites that serve developmentally disabled patients or offenders, except for state operated living alternatives facilities;

(e) Whose primary responsibility is to provide nursing care to offender and patient populations in institutions and centers operated by the following employers: A city or county corrections department as set forth in subsection (12) of this section, a public corrections entity as set forth in subsection (12) of this section, the Washington state department of corrections, or the Washington state department of veterans affairs; or

(f) Whose primary responsibility is to supervise members eligible under this subsection.

(20) "Membership service" means all service rendered as a member.

(21) "Pension" means payments for life derived from contributions made by the employer. All pensions shall be paid in monthly installments.

(22) "Plan" means the Washington public safety employees' retirement system plan 2.

(23) "Regular interest" means such rate as the director may determine.

(24) "Retiree" means any person who has begun accruing a retirement allowance or other benefit provided by this chapter resulting from service rendered to an employer while a member.

(25) "Retirement" means withdrawal from active service with a retirement allowance as provided by this chapter.

(26) "Retirement allowance" means monthly payments to a retiree or beneficiary as provided in this chapter.

(27) "Retirement system" means the Washington public safety employees' retirement system provided for in this chapter.

(28) "Separation from service" occurs when a person has terminated all employment with an employer.

(29) "Service" means periods of employment by a member on or after July 1, 2006, for one or more employers for which compensation earnable is paid. Compensation earnable earned for ninety or more hours in any calendar month shall constitute one service credit month. Compensation earnable earned for at least seventy hours but less than ninety hours in any calendar month shall constitute one-half service credit month of service. Compensation earnable earned for less than seventy hours in any calendar month shall constitute one-quarter service credit month of service. Time spent in standby status, whether compensated or not, is not service.

Any fraction of a year of service shall be taken into account in the computation of such retirement allowance or benefits.

(a) Service in any state elective position shall be deemed to be full-time service.

(b) A member shall receive a total of not more than twelve service credit months of service for such calendar year. If an individual is employed in an eligible position by one or more employers the individual shall receive no more

than one service credit month during any calendar month in which multiple service for ninety or more hours is rendered.

(30) "Service credit month" means a month or an accumulation of months of service credit which is equal to one.

(31) "Service credit year" means an accumulation of months of service credit which is equal to one when divided by twelve.

(32) "State actuary" or "actuary" means the person appointed pursuant to RCW 44.44.010(2).

(33) "State elective position" means any position held by any person elected or appointed to statewide office or elected or appointed as a member of the legislature.

(34) "State treasurer" means the treasurer of the state of Washington.

NEW SECTION. Sec. 2. A new section is added to chapter 41.37 RCW to read as follows:

(1) An employee of an employer as defined in RCW 41.37.010(12) who was a member of the public employees' retirement system plan 2 or plan 3 before January 1, 2019, and on January 1, 2019, meets the eligibility requirements set forth in RCW 41.37.010(19) has the following options during the election period defined in subsection (2) of this section:

(a) Remain in the public employees' retirement system; or

(b) Become a member of the public safety employees' retirement system plan 2 and be a dual member as provided in chapter 41.54 RCW, and public employees' retirement system service credit may not be transferred to the public safety employees' retirement system.

(2) The "election period" is the period between January 1, 2019, and March 1, 2019.

(3) During the election period, employees who are employed by an employer as defined in RCW 41.37.010(12) remain members of the public employees' retirement system plan 2 or plan 3 until they elect to join the public safety employees' retirement system. Members who elect to join the public safety employees' retirement system as described in this section will have their membership begin prospectively from the date of their election.

(4) If after March 1, 2019, the member has not made an election to join the public safety employees' retirement system, he or she will remain in the public employees' retirement system plan 2 or plan 3.

(5) An employee who was a member of the public employees' retirement system plan 1 on or before January 1, 2019, and on or after January 1, 2019, is employed by an employer as defined in RCW 41.37.010(12) as an employee who meets the eligibility requirements included in RCW 41.37.010(19), shall remain a member of the public employees' retirement system plan 1.

(6) All new employees hired on or after January 1, 2019, who become employed by an employer as defined in RCW 41.37.010(12) as an employee who meets the eligibility requirements included in RCW 41.37.010(19) will become members of the public safety employees' retirement system.

Passed by the House February 12, 2018.

Passed by the Senate March 2, 2018.

Approved by the Governor March 23, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 242

[House Bill 1672]

PREVAILING WAGE--TIME PERIOD FOR RECOVERY OF WAGES

AN ACT Relating to the time period for workers to recover wages under prevailing wage laws; and amending RCW 39.12.015.

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

Sec. 1. RCW 39.12.015 and 1965 ex.s. c 133 s 2 are each amended to read as follows:

(1) All determinations of the prevailing rate of wage shall be made by the industrial statistician of the department of labor and industries.

(2) The time period for recovery of any wages owed to a worker affected by the determination is tolled until the prevailing wage determination is final.

Passed by the House February 7, 2018.

Passed by the Senate March 2, 2018.

Approved by the Governor March 23, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 243

[Engrossed Second Substitute House Bill 1673]

RESPONSIBLE BIDDER CRITERIA--TRAINING ON PUBLIC WORKS AND PREVAILING WAGE

AN ACT Relating to adding training on public works and prevailing wage requirements to responsible bidder criteria; amending RCW 39.04.350; creating a new section; and providing an effective date.

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

Sec. 1. RCW 39.04.350 and 2017 c 258 s 2 are each amended to read as follows:

(1) Before award of a public works contract, a bidder must meet the following responsibility criteria to be considered a responsible bidder and qualified to be awarded a public works project. The bidder must:

(a) At the time of bid submittal, have a certificate of registration in compliance with chapter 18.27 RCW;

(b) Have a current state unified business identifier number;

(c) If applicable, have industrial insurance coverage for the bidder's employees working in Washington as required in Title 51 RCW; an employment security department number as required in Title 50 RCW; and a state excise tax registration number as required in Title 82 RCW;

(d) Not be disqualified from bidding on any public works contract under RCW 39.06.010 or 39.12.065(3);

(e) If bidding on a public works project subject to the apprenticeship utilization requirements in RCW 39.04.320, not have been found out of compliance by the Washington state apprenticeship and training council for working apprentices out of ratio, without appropriate supervision, or outside their approved work processes as outlined in their standards of apprenticeship under chapter 49.04 RCW for the one-year period immediately preceding the date of the bid solicitation;

(f) ~~((Until December 31, 2013, not have violated RCW 39.04.370 more than one time as determined by the department of labor and industries))~~ Have received training on the requirements related to public works and prevailing wage under this chapter and chapter 39.12 RCW. The bidder must designate a person or persons to be trained on these requirements. The training must be provided by the department of labor and industries or by a training provider whose curriculum is approved by the department. The department, in consultation with the prevailing wage advisory committee, must determine the length of the training. Bidders that have completed three or more public works projects and have had a valid business license in Washington for three or more years are exempt from this subsection. The department of labor and industries must keep records of entities that have satisfied the training requirement or are exempt and make the records available on its web site. Responsible parties may rely on the records made available by the department regarding satisfaction of the training requirement or exemption; and

(g) Within the three-year period immediately preceding the date of the bid solicitation, not have been determined by a final and binding citation and notice of assessment issued by the department of labor and industries or through a civil judgment entered by a court of limited or general jurisdiction to have willfully violated, as defined in RCW 49.48.082, any provision of chapter 49.46, 49.48, or 49.52 RCW.

(2) Before award of a public works contract, a bidder shall submit to the contracting agency a signed statement in accordance with RCW 9A.72.085 verifying under penalty of perjury that the bidder is in compliance with the responsible bidder criteria requirement of subsection (1)(g) of this section. A contracting agency may award a contract in reasonable reliance upon such a sworn statement.

(3) In addition to the bidder responsibility criteria in subsection (1) of this section, the state or municipality may adopt relevant supplemental criteria for determining bidder responsibility applicable to a particular project which the bidder must meet.

(a) Supplemental criteria for determining bidder responsibility, including the basis for evaluation and the deadline for appealing a determination that a bidder is not responsible, must be provided in the invitation to bid or bidding documents.

(b) In a timely manner before the bid submittal deadline, a potential bidder may request that the state or municipality modify the supplemental criteria. The state or municipality must evaluate the information submitted by the potential bidder and respond before the bid submittal deadline. If the evaluation results in a change of the criteria, the state or municipality must issue an addendum to the bidding documents identifying the new criteria.

(c) If the bidder fails to supply information requested concerning responsibility within the time and manner specified in the bid documents, the state or municipality may base its determination of responsibility upon any available information related to the supplemental criteria or may find the bidder not responsible.

(d) If the state or municipality determines a bidder to be not responsible, the state or municipality must provide, in writing, the reasons for the determination. The bidder may appeal the determination within the time period specified in the

bidding documents by presenting additional information to the state or municipality. The state or municipality must consider the additional information before issuing its final determination. If the final determination affirms that the bidder is not responsible, the state or municipality may not execute a contract with any other bidder until two business days after the bidder determined to be not responsible has received the final determination.

(4) The capital projects advisory review board created in RCW 39.10.220 shall develop suggested guidelines to assist the state and municipalities in developing supplemental bidder responsibility criteria. The guidelines must be posted on the board's web site.

NEW SECTION. Sec. 2. This act takes effect July 1, 2019.

NEW SECTION. Sec. 3. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2018, in the omnibus appropriations act, this act is null and void.

Passed by the House February 7, 2018.

Passed by the Senate February 27, 2018.

Approved by the Governor March 23, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 244

[Engrossed House Bill 1849]

APPRENTICESHIP UTILIZATION REQUIREMENTS--COMPLIANCE

AN ACT Relating to compliance with apprenticeship utilization requirements; amending RCW 39.04.320; adding a new section to chapter 49.04 RCW; and providing an effective date.

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

Sec. 1. RCW 39.04.320 and 2015 3rd sp.s. c 40 s 1 are each amended to read as follows:

(1)(a) Except as provided in (b) through (d) of this subsection, from January 1, 2005, and thereafter, for all public works estimated to cost one million dollars or more, all specifications shall require that no less than fifteen percent of the labor hours be performed by apprentices.

(b)(i) This section does not apply to contracts advertised for bid before July 1, 2007, for any public works by the department of transportation.

(ii) For contracts advertised for bid on or after July 1, 2007, and before July 1, 2008, for all public works by the department of transportation estimated to cost five million dollars or more, all specifications shall require that no less than ten percent of the labor hours be performed by apprentices.

(iii) For contracts advertised for bid on or after July 1, 2008, and before July 1, 2009, for all public works by the department of transportation estimated to cost three million dollars or more, all specifications shall require that no less than twelve percent of the labor hours be performed by apprentices.

(iv) For contracts advertised for bid on or after July 1, 2015, and before July 1, 2020, for all public works by the department of transportation estimated to cost three million dollars or more, all specifications shall require that no less than fifteen percent of the labor hours be performed by apprentices.

(v) For contracts advertised for bid on or after July 1, 2020, for all public works by the department of transportation estimated to cost two million dollars

or more, all specifications shall require that no less than fifteen percent of the labor hours be performed by apprentices.

(c)(i) This section does not apply to contracts advertised for bid before January 1, 2008, for any public works by a school district, or to any project funded in whole or in part by bond issues approved before July 1, 2007.

(ii) For contracts advertised for bid on or after January 1, 2008, for all public works by a school district estimated to cost three million dollars or more, all specifications shall require that no less than ten percent of the labor hours be performed by apprentices.

(iii) For contracts advertised for bid on or after January 1, 2009, for all public works by a school district estimated to cost two million dollars or more, all specifications shall require that no less than twelve percent of the labor hours be performed by apprentices.

(iv) For contracts advertised for bid on or after January 1, 2010, for all public works by a school district estimated to cost one million dollars or more, all specifications shall require that no less than fifteen percent of the labor hours be performed by apprentices.

(d)(i) For contracts advertised for bid on or after January 1, 2010, for all public works by a four-year institution of higher education estimated to cost three million dollars or more, all specifications must require that no less than ten percent of the labor hours be performed by apprentices.

(ii) For contracts advertised for bid on or after January 1, 2011, for all public works by a four-year institution of higher education estimated to cost two million dollars or more, all specifications must require that no less than twelve percent of the labor hours be performed by apprentices.

(iii) For contracts advertised for bid on or after January 1, 2012, for all public works by a four-year institution of higher education estimated to cost one million dollars or more, all specifications must require that no less than fifteen percent of the labor hours be performed by apprentices.

(2) Awarding entities may adjust the requirements of this section for a specific project for the following reasons:

(a) The demonstrated lack of availability of apprentices in specific geographic areas;

(b) A disproportionately high ratio of material costs to labor hours, which does not make feasible the required minimum levels of apprentice participation;

(c) Participating contractors have demonstrated a good faith effort to comply with the requirements of RCW 39.04.300 and 39.04.310 and this section; or

(d) Other criteria the awarding entity deems appropriate, which are subject to review by the office of the governor.

(3) The secretary of the department of transportation shall adjust the requirements of this section for a specific project for the following reasons:

(a) The demonstrated lack of availability of apprentices in specific geographic areas; or

(b) A disproportionately high ratio of material costs to labor hours, which does not make feasible the required minimum levels of apprentice participation.

(4)(a) This section applies to public works contracts awarded by the state, to public works contracts awarded by school districts, and to public works contracts awarded by state four-year institutions of higher education. However,

this section does not apply to contracts awarded by state agencies headed by a separately elected public official.

(b) Within existing resources, awarding agencies are responsible for monitoring apprenticeship utilization hours by contractor. There must be a specific line item in the contract specifying that apprenticeship utilization goals should be met, monetary incentives for meeting the goals, monetary penalties for not meeting the goals, and an expected cost value to be included in the bid associated with meeting the goals. The awarding agency must report the apprenticeship utilization by contractor and subcontractor to the supervisor of apprenticeship at the department of labor and industries by final project acceptance. The electronic reporting system that is being developed by the department of labor and industries may be used for either or both monitoring and reporting apprenticeship utilization hours.

(c) In lieu of the monetary penalty and incentive requirements specified in (b) of this subsection, the Washington state department of transportation may use its three strike system for ensuring compliance including the allowance for a good faith effort.

(5)(a) The department of enterprise services must provide information and technical assistance to affected agencies and collect the following data from affected agencies for each project covered by this section:

- (i) The name of each apprentice and apprentice registration number;
- (ii) The name of each project;
- (iii) The dollar value of each project;
- (iv) The date of the contractor's notice to proceed;
- (v) The number of apprentices and labor hours worked by them, categorized by trade or craft;
- (vi) The number of journey level workers and labor hours worked by them, categorized by trade or craft; and
- (vii) The number, type, and rationale for the exceptions granted under subsection (2) of this section.

(b) The department of labor and industries shall assist the department of enterprise services in providing information and technical assistance.

(6) The secretary of transportation shall establish an apprenticeship utilization advisory committee, which shall include statewide geographic representation and consist of equal numbers of representatives of contractors and labor. The committee must include at least one member representing contractor businesses with less than thirty-five employees. The advisory committee shall meet regularly with the secretary of transportation to discuss implementation of this section by the department of transportation, including development of the process to be used to adjust the requirements of this section for a specific project.

(7) At the request of the senate labor, commerce, research and development committee, the house of representatives commerce and labor committee, or their successor committees, and the governor, the department of enterprise services and the department of labor and industries shall compile and summarize the agency data and provide a joint report to both committees. The report shall include recommendations on modifications or improvements to the apprentice utilization program and information on skill shortages in each trade or craft.

(8) All contracts subject to this section must include specifications that a contractor or subcontractor may not be required to exceed the apprenticeship utilization requirements of this section.

NEW SECTION. Sec. 2. A new section is added to chapter 49.04 RCW to read as follows:

(1) In addition to the duties established under RCW 49.04.030, the supervisor of apprenticeship must verify compliance by contractors, subcontractors, and awarding agencies of apprenticeship utilization requirements. The supervisor may coordinate with the department of enterprise services, the state department of transportation, the office of the superintendent of public instruction, and any other appropriate agency or organization to assist in tracking compliance.

(2) Compliance information must be made available to the apprenticeship council and must be used to determine compliance for purposes of RCW 39.04.350 and 39.12.055.

(3) The director of labor and industries must adopt rules to implement this section.

NEW SECTION. Sec. 3. This act takes effect January 1, 2020.

Passed by the House February 8, 2018.

Passed by the Senate March 2, 2018.

Approved by the Governor March 23, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 245

[Second Substitute House Bill 2015]

LODGING EXCISE TAX--APPLICABILITY

AN ACT Relating to modifying the lodging excise tax to remove the exemption for premises with fewer than sixty lodging units and to tax certain vacation rentals, short-term home-sharing arrangements, and other compensated use or occupancy of dwellings; amending RCW 36.100.040; 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 legislature finds that it is in the public interest that taxation of lodging not distort the market for different types of lodging and that all types of lodging participate in the funding of the public benefits supported with lodging tax revenue.

(2) The legislature further finds that, with respect to the lodging taxes levied under RCW 36.100.040 (4) and (5), the current significant disparity in the taxation of sales of lodging on premises having fewer than sixty lodging units compared to premises having sixty or more units is contrary to the public interest in both equitable taxation and adequately supporting the public benefits funded by lodging tax revenue.

(3) It is the intent of this act to equalize the taxation levied under RCW 36.100.040 (4) and (5) by applying it to all lodging, regardless of the number of lodging units in premises subject to such taxation.

Sec. 2. RCW 36.100.040 and 2015 3rd sp.s. c 24 s 702 are each amended to read as follows:

(1) A public facilities district may impose an excise tax on the sale of or charge made for the furnishing of lodging that is subject to tax under chapter 82.08 RCW, except that no such tax may be levied on any premises having fewer than forty lodging units. Except for any tax imposed under subsection (4) or (5) of this section, if a public facilities district has not imposed such an excise tax prior to December 31, 1995, the public facilities district may only impose the excise tax if a ballot proposition authorizing the imposition of the tax has been approved by a simple majority vote of voters of the public facilities district voting on the proposition.

(2) The rate of the tax may not exceed two percent and the proceeds of the tax may only be used for the acquisition, design, construction, remodeling, maintenance, equipping, reequipping, repairing, and operation of its public facilities. This excise tax may not be imposed until the district has approved the proposal to acquire, design, and construct the public facilities.

(3) Except for a public facilities district created within a county with a population of one million five hundred thousand or more for the purpose of acquiring, owning, and operating a convention and trade center, a public facilities district may not impose the tax authorized in this section if, after the tax authorized in this section was imposed, the effective combined rate of state and local excise taxes, including sales and use taxes and excise taxes on lodging, imposed on the sale of or charge made for furnishing of lodging in any jurisdiction in the public facilities district exceeds eleven and one-half percent.

(4)(a) To replace the tax authorized by RCW 67.40.090, a public facilities district created within a county with a population of one million five hundred thousand or more for the purpose of acquiring, owning, ~~((and))~~ operating, renovating, and expanding a convention and trade center may impose an excise tax on the sale of or charge made for the furnishing of lodging (including but not limited to any short-term rental) that is subject to tax under chapter 82.08 RCW, except that no such tax may be levied on:

(i) Any premises: ~~((and))~~

(A) Having fewer than sixty lodging units if the premises is located in a town with a population less than three hundred; or ~~((and))~~

(B) Classified as a hostel;

(ii) Any lodging that is concurrently subject to a tax on engaging in the business of being a short-term rental operator imposed by a city in which a convention and trade center is located; or

(iii) Any lodging that is operated by a university health care system exclusively for family members of patients.

(b) The rate of the tax may not exceed seven percent within the portion of the district that corresponds to the boundaries of the largest city within the public facilities district and may not exceed 2.8 percent in the remainder of the district. The tax imposed under this subsection (4) may not be collected prior to the transfer date defined in RCW 36.100.230.

(5) To replace the tax authorized by RCW 67.40.130, a public facilities district created within a county with a population of one million five hundred thousand or more for the purpose of acquiring, owning, ~~((and))~~ operating, renovating, and expanding a convention and trade center may impose an additional excise tax on the sale of or charge made for the furnishing of lodging (including but not limited to any short-term rental) that is subject to tax under

chapter 82.08 RCW, except that no such tax may be levied on any premises: (a) Having fewer than sixty lodging units if the premises is located in a town with a population less than three hundred; or (b) classified as a hostel. The rate of the additional excise tax may not exceed two percent and may be imposed only within the portion of the district that corresponds to the boundaries of the largest city within the public facilities district and may not be imposed in the remainder of the district. The tax imposed under this subsection (5) may not be collected prior to the transfer date specified in RCW 36.100.230. The tax imposed under this subsection (5) must be credited against the amount of the tax otherwise due to the state from those same taxpayers under chapter 82.08 RCW. The tax under this subsection (5) may be imposed only for the purpose of paying or securing the payment of the principal of and interest on obligations issued or incurred by the public facilities district and paying annual payment amounts to the state under subsection (6)(a) of this section. The authority to impose the additional excise tax under this subsection (5) expires on the date that is the earlier of ~~((~~(a)~~) ~~[(i)]~~)~~ (i) July 1, 2029, or ~~((~~(b)~~) ~~[(ii)]~~)~~ (ii) the date on which all obligations issued or incurred by the public facilities district to implement any redemption, prepayment, or legal defeasance of outstanding obligations under RCW 36.100.230(3)(a) are no longer outstanding.

(6)(a) Commencing with the first full fiscal year of the state after the transfer date defined in RCW 36.100.230 and for so long as a public facilities district imposes a tax under subsection (5) of this section, the public facilities district must transfer to the state of Washington on June 30th of each state fiscal year an annual payment amount.

(b) For the purposes of this subsection (6), "annual payment amount" means an amount equal to revenues received by the public facilities district in the fiscal year from the additional excise tax imposed under subsection (5) of this section plus an interest charge calculated on one-half the annual payment amount times an interest rate equal to the average annual rate of return for the prior calendar year in the Washington state local government investment pool created in chapter 43.250 RCW.

(c)(i) If the public facilities district in any fiscal year is required to apply additional lodging excise tax revenues to the payment of principal and interest on obligations it issues or incurs, and the public facilities district is unable to pay all or any portion of the annual payment amount to the state, the deficiency is deemed to be a loan from the state to the public facilities district for the purpose of assisting the district in paying such principal and interest and must be repaid by the public facilities district to the state after providing for the payment of the principal of and interest on obligations issued or incurred by the public facilities district, all on terms established by an agreement between the state treasurer and the public facilities district executed prior to the transfer date. Any agreement between the state treasurer and the public facilities district must specify the term for the repayment of the deficiency in the annual payment amount with an interest rate equal to the twenty bond general obligation bond buyer index plus one percentage point.

(ii) Outstanding obligations to repay any loans deemed to have been made to the public facilities district as provided in any such agreements between the state treasurer and the public facilities district survive the expiration of the additional excise tax under subsection (5) of this section.

(iii) For the purposes of this subsection (6)(c), "additional lodging excise tax revenues" mean the tax revenues received by the public facilities district under subsection (5) of this section.

(7) A public facilities district is authorized to pledge any of its revenues, including without limitation revenues from the taxes authorized in this section, to pay or secure the payment of obligations issued or incurred by the public facilities district, subject to the terms established by the board of directors of the public facilities district. So long as a pledge of the taxes authorized under this section is in effect, the legislature may not withdraw or modify the authority to levy and collect the taxes at the rates permitted under this section and may not increase the annual payment amount to be transferred to the state under subsection (6) of this section.

(8) The department of revenue must perform the collection of such taxes on behalf of the public facilities district at no cost to the district, and the state treasurer must distribute those taxes as available on a monthly basis to the district or, upon the direction of the district, to a fiscal agent, paying agent, or trustee for obligations issued or incurred by the district.

(9) Except as expressly provided in this chapter, all of the provisions contained in RCW 82.08.050 and 82.08.060 and chapter 82.32 RCW have full force and application with respect to taxes imposed under the provisions of this section.

(10) In determining the effective combined rate of tax for purposes of the limit in subsection (3) of this section, the tax rate under RCW 82.14.530 is not included.

(11) The taxes imposed in this section do not apply to sales of temporary medical housing exempt under RCW 82.08.997.

(12) ~~((a) For the purposes of this section,)~~ The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a)(i) "Hostel" means a structure or facility where a majority of the rooms for sleeping accommodations are hostel dormitories containing a minimum of four standard beds designed for single-person occupancy within the facility. Hostel accommodations are supervised and must include at least one common area and at least one common kitchen for guest use.

~~((b))~~ (ii) For the purpose of this subsection (12)(a), "hostel dormitory" means a single room, containing four or more standard beds designed for single-person occupancy, used exclusively as nonprivate communal sleeping quarters, generally for unrelated persons, where such persons independently acquire the right to occupy individual beds, with the operator supervising and determining which bed each person will occupy.

(b) "Short-term rental" means a lodging use, that is not a hotel or motel, in which a dwelling unit, or portion thereof, that is offered or provided to a guest or guests by a short-term rental operator for a fee for fewer than thirty consecutive nights. The term "short-term rental" does not include:

(i) A dwelling unit, or portion thereof, that is used by the same person for thirty or more consecutive nights; and

(ii) A dwelling unit, or portion thereof, that is operated by an organization or government entity that is registered as a charitable organization with the secretary of state, state of Washington, and/or is classified by the federal internal

revenue service as a public charity or a private foundation, and provides temporary housing to individuals who are being treated for trauma, injury, or disease and/or their family members.

(13) Taxes authorized under subsections (4) and (5) of this section are deemed to have been imposed on December 1, 2000, for the purposes of RCW 82.14.410.

(14)(a) Beginning on the date that the condition in (b) of this subsection is satisfied, a public facilities district created within a county with a population of one million five hundred thousand or more for the purpose of acquiring, owning, operating, renovating, and expanding a convention and trade center must make quarterly payments from tax revenue collected by a public facilities district as a result of the tax imposed in chapter . . . , Laws of 2018 (this act) to a city in which the convention and trade center is located that has authorized on or before December 31, 2017, a tax on engaging in the business of being a short-term rental operator. Such payments must be made no more than thirty days after the last day of each fiscal quarter and must equal the portion of the revenues received by the public facilities district during such fiscal quarter from the lodging taxes authorized under subsection (4) of this section that are determined by the department of revenue to be derived from the short-term rental activity within such city.

(b) The public facilities district is not required to make any payments under this subsection (14) unless the city has repealed any ordinance authorizing a tax on engaging in the business of being a short-term rental operator.

(c) The public facilities district is not required to make any payments to a city under this subsection (14), if the city, after satisfying the condition in (b) of this subsection imposes any tax specifically on the act of engaging in the business of being a short-term rental operator.

(d) The proceeds of any payments made by a public facilities district to a city under this subsection (14) must be used by the city to support community-initiated equitable development and affordable housing programs, as determined by the city in its sole discretion.

(15) Fifty percent of any tax revenue collected by a public facilities district as a result of the tax imposed in chapter . . . , Laws of 2018 (this act) must be distributed by the public facilities district to the county in which the convention and trade center is located. However, if a city has satisfied the condition in subsection (14)(b) of this section, payments made under this subsection to the county in which the convention and trade center is located must be calculated after deducting any payments made to a city under subsection (14) of this section from the total tax revenue received by the public facilities district as a result of the enactment of chapter . . . , Laws of 2018 (this act). The proceeds of such payments to a county under this subsection (15) must be used by the county to support affordable housing programs, as determined by the county, in its sole discretion.

NEW SECTION, Sec. 3. This act takes effect October 1, 2018.

Passed by the House March 5, 2018.

Passed by the Senate March 2, 2018.

Approved by the Governor March 23, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 246

[House Bill 2669]

STATE CIVIL SERVICE--PART-TIME EMPLOYEES

AN ACT Relating to adding part-time employees to state civil service; and amending RCW 41.06.070.

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

Sec. 1. RCW 41.06.070 and 2016 c 188 s 11 are each amended to read as follows:

(1) The provisions of this chapter do not apply to:

(a) The members of the legislature or to any employee of, or position in, the legislative branch of the state government including members, officers, and employees of the legislative council, joint legislative audit and review committee, statute law committee, and any interim committee of the legislature;

(b) The justices of the supreme court, judges of the court of appeals, judges of the superior courts or of the inferior courts, or to any employee of, or position in the judicial branch of state government;

(c) Officers, academic personnel, and employees of technical colleges;

(d) The officers of the Washington state patrol;

(e) Elective officers of the state;

(f) The chief executive officer of each agency;

(g) In the departments of employment security and social and health services, the director and the director's confidential secretary; in all other departments, the executive head of which is an individual appointed by the governor, the director, his or her confidential secretary, and his or her statutory assistant directors;

(h) In the case of a multimember board, commission, or committee, whether the members thereof are elected, appointed by the governor or other authority, serve ex officio, or are otherwise chosen:

(i) All members of such boards, commissions, or committees;

(ii) If the members of the board, commission, or committee serve on a part-time basis and there is a statutory executive officer: The secretary of the board, commission, or committee; the chief executive officer of the board, commission, or committee; and the confidential secretary of the chief executive officer of the board, commission, or committee;

(iii) If the members of the board, commission, or committee serve on a full-time basis: The chief executive officer or administrative officer as designated by the board, commission, or committee; and a confidential secretary to the chair of the board, commission, or committee;

(iv) If all members of the board, commission, or committee serve ex officio: The chief executive officer; and the confidential secretary of such chief executive officer;

(i) The confidential secretaries and administrative assistants in the immediate offices of the elective officers of the state;

(j) Assistant attorneys general;

(k) Commissioned and enlisted personnel in the military service of the state;

(l) Inmate, student, (~~part-time, or~~) and temporary employees, and part-time professional consultants, as defined by the Washington personnel resources board;

- (m) Officers and employees of the Washington state fruit commission;
 - (n) Officers and employees of the Washington apple commission;
 - (o) Officers and employees of the Washington state dairy products commission;
 - (p) Officers and employees of the Washington tree fruit research commission;
 - (q) Officers and employees of the Washington state beef commission;
 - (r) Officers and employees of the Washington grain commission;
 - (s) Officers and employees of any commission formed under chapter 15.66 RCW;
 - (t) Officers and employees of agricultural commissions formed under chapter 15.65 RCW;
 - (u) Executive assistants for personnel administration and labor relations in all state agencies employing such executive assistants including but not limited to all departments, offices, commissions, committees, boards, or other bodies subject to the provisions of this chapter and this subsection shall prevail over any provision of law inconsistent herewith unless specific exception is made in such law;
 - (v) In each agency with fifty or more employees: Deputy agency heads, assistant directors or division directors, and not more than three principal policy assistants who report directly to the agency head or deputy agency heads;
 - (w) Staff employed by the department of commerce to administer energy policy functions;
 - (x) The manager of the energy facility site evaluation council;
 - (y) A maximum of ten staff employed by the department of commerce to administer innovation and policy functions, including the three principal policy assistants exempted under (v) of this subsection;
 - (z) Staff employed by Washington State University to administer energy education, applied research, and technology transfer programs under RCW 43.21F.045 as provided in RCW 28B.30.900(5);
 - (aa) Officers and employees of the consolidated technology services agency created in RCW 43.105.006 that perform the following functions or duties: Systems integration; data center engineering and management; network systems engineering and management; information technology contracting; information technology customer relations management; and network and systems security;
 - (bb) The executive director of the Washington statewide reentry council.
- (2) The following classifications, positions, and employees of institutions of higher education and related boards are hereby exempted from coverage of this chapter:
- (a) Members of the governing board of each institution of higher education and related boards, all presidents, vice presidents, and their confidential secretaries, administrative, and personal assistants; deans, directors, and chairs; academic personnel; and executive heads of major administrative or academic divisions employed by institutions of higher education; principal assistants to executive heads of major administrative or academic divisions; other managerial or professional employees in an institution or related board having substantial responsibility for directing or controlling program operations and accountable for allocation of resources and program results, or for the formulation of institutional policy, or for carrying out personnel administration or labor

relations functions, legislative relations, public information, development, senior computer systems and network programming, or internal audits and investigations; and any employee of a community college district whose place of work is one which is physically located outside the state of Washington and who is employed pursuant to RCW 28B.50.092 and assigned to an educational program operating outside of the state of Washington;

(b) The governing board of each institution, and related boards, may also exempt from this chapter classifications involving research activities, counseling of students, extension or continuing education activities, graphic arts or publications activities requiring prescribed academic preparation or special training as determined by the board: PROVIDED, That no nonacademic employee engaged in office, clerical, maintenance, or food and trade services may be exempted by the board under this provision;

(c) Printing craft employees in the department of printing at the University of Washington.

(3) In addition to the exemptions specifically provided by this chapter, the director may provide for further exemptions pursuant to the following procedures. The governor or other appropriate elected official may submit requests for exemption to the office of financial management stating the reasons for requesting such exemptions. The director shall hold a public hearing, after proper notice, on requests submitted pursuant to this subsection. If the director determines that the position for which exemption is requested is one involving substantial responsibility for the formulation of basic agency or executive policy or one involving directing and controlling program operations of an agency or a major administrative division thereof, or is a senior expert in enterprise information technology infrastructure, engineering, or systems, the director shall grant the request. The total number of additional exemptions permitted under this subsection shall not exceed one percent of the number of employees in the classified service not including employees of institutions of higher education and related boards for those agencies not directly under the authority of any elected public official other than the governor, and shall not exceed a total of twenty-five for all agencies under the authority of elected public officials other than the governor.

(4) The salary and fringe benefits of all positions presently or hereafter exempted except for the chief executive officer of each agency, full-time members of boards and commissions, administrative assistants and confidential secretaries in the immediate office of an elected state official, and the personnel listed in subsections (1)(j) through (t) and (2) of this section, shall be determined by the director. Changes to the classification plan affecting exempt salaries must meet the same provisions for classified salary increases resulting from adjustments to the classification plan as outlined in RCW 41.06.152.

~~((From July 1, 2011, through June 29, 2013, salaries for all positions exempt from classification under this chapter are subject to RCW 41.04.820.~~

~~From February 18, 2009, through June 30, 2013, a salary or wage increase shall not be granted to any position exempt from classification under this chapter, except that a salary or wage increase may be granted to employees pursuant to collective bargaining agreements negotiated under chapter 28B.52, 41.56, 47.64, or 41.76 RCW, and except that increases may be granted for~~

positions for which the employer has demonstrated difficulty retaining qualified employees if the following conditions are met:

- (a) ~~The salary increase can be paid within existing resources;~~
- (b) ~~The salary increase will not adversely impact the provision of client services; and~~
- (c) ~~For any state agency of the executive branch, not including institutions of higher education, the salary increase is approved by the director of the office of financial management.~~

~~Any agency granting a salary increase from February 15, 2010, through June 30, 2011, to a position exempt from classification under this chapter shall submit a report to the fiscal committees of the legislature no later than July 31, 2011, detailing the positions for which salary increases were granted, the size of the increases, and the reasons for giving the increases.~~

~~Any agency granting a salary increase from July 1, 2011, through June 30, 2013, to a position exempt from classification under this chapter shall submit a report to the fiscal committees of the legislature by July 31, 2012, and July 31, 2013, detailing the positions for which salary increases were granted during the preceding fiscal year, the size of the increases, and the reasons for giving the increases.))~~

(5)(a) Any person holding a classified position subject to the provisions of this chapter shall, when and if such position is subsequently exempted from the application of this chapter, be afforded the following rights: If such person previously held permanent status in another classified position, such person shall have a right of reversion to the highest class of position previously held, or to a position of similar nature and salary.

(b) Any classified employee having civil service status in a classified position who accepts an appointment in an exempt position shall have the right of reversion to the highest class of position previously held, or to a position of similar nature and salary.

(c) A person occupying an exempt position who is terminated from the position for gross misconduct or malfeasance does not have the right of reversion to a classified position as provided for in this section.

~~((From February 15, 2010, until June 30, 2013, no monetary performance-based awards or incentives may be granted by the director or employers to employees covered by rules adopted under this section. This subsection does not prohibit the payment of awards provided for in chapter 41.60 RCW.~~

~~From July 1, 2011, until June 30, 2013, no performance based awards or incentives may be granted by the director or employers to employees pursuant to a performance management confirmation granted by the department of personnel under WAC 357-37-055.))~~

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CHAPTER 247

[House Bill 2751]

UNION DUES AND FEES--DEDUCTION--AUTHORIZATION

AN ACT Relating to the deduction of union dues and fees; and amending RCW 28B.52.045, 41.56.110, 41.59.060, 41.76.045, 41.80.100, and 49.39.080.

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

Sec. 1. RCW 28B.52.045 and 1987 c 314 s 8 are each amended to read as follows:

~~(1) ((Upon filing with the employer the voluntary written authorization of a bargaining unit employee under this chapter, the employee organization which is the exclusive bargaining representative of the bargaining unit shall have the right to have deducted from the salary of the bargaining unit employee the periodic dues and initiation fees uniformly required as a condition of acquiring or retaining membership in the exclusive bargaining representative. Such employee authorization shall not be irrevocable for a period of more than one year. Such dues and fees shall be deducted from the pay of all employees who have given authorization for such deduction, and shall be transmitted by the employer to the employee organization or to the depository designated by the employee organization.~~

~~(2)) (a) A collective bargaining agreement may include union security provisions, but not a closed shop. ((If an agency shop or other union security provision is agreed to, the employer shall enforce any such provision by deductions from the salary of bargaining unit employees affected thereby and shall transmit such funds to the employee organization or to the depository designated by the employee organization.~~

~~(3)) (b) Upon written authorization of an employee within the bargaining unit and after the certification or recognition of the bargaining unit's exclusive bargaining representative, the employer must deduct from the payments to the employee the monthly amount of dues as certified by the secretary of the exclusive bargaining representative and must transmit the same to the treasurer of the exclusive bargaining representative.~~

~~(c) If the employer and the exclusive bargaining representative of a bargaining unit enter into a collective bargaining agreement that:~~

~~(i) Includes a union security provision authorized under (a) of this subsection, the employer must enforce the agreement by deducting from the payments to bargaining unit members the dues required for membership in the exclusive bargaining representative, or, for nonmembers thereof, a fee equivalent to the dues; or~~

~~(ii) Includes requirements for deductions of payments other than the deduction under (c)(i) of this subsection, the employer must make such deductions upon written authorization of the employee.~~

~~(2) An employee who is covered by a union security provision and who asserts a right of nonassociation based on bona fide religious tenets or teachings of a church or religious body of which such employee is a member shall pay to a nonreligious charity or other charitable organization an amount of money equivalent to the periodic dues and initiation fees uniformly required as a condition of acquiring or retaining membership in the exclusive bargaining representative. The charity shall be agreed upon by the employee and the~~

employee organization to which such employee would otherwise pay the dues and fees. The employee shall furnish written proof that such payments have been made. If the employee and the employee organization do not reach agreement on such matter, the commission shall designate the charitable organization.

Sec. 2. RCW 41.56.110 and 1973 c 59 s 1 are each amended to read as follows:

(1) Upon the written authorization of ~~((any public))~~ an employee within the bargaining unit and after the certification or recognition of ~~((such))~~ the bargaining unit's exclusive bargaining representative, the ~~((public))~~ employer shall deduct from the ~~((pay of such public))~~ payments to the employee the monthly amount of dues as certified by the secretary of the exclusive bargaining representative and shall transmit the same to the treasurer of the exclusive bargaining representative.

(2) If the employer and the exclusive bargaining representative of a bargaining unit enter into a collective bargaining agreement that:

(a) Includes a union security provision authorized under RCW 41.56.122, the employer must enforce the agreement by deducting from the payments to bargaining unit members the dues required for membership in the exclusive bargaining representative, or, for nonmembers thereof, a fee equivalent to the dues; or

(b) Includes requirements for deductions of payments other than the deduction under (a) of this subsection, the employer must make such deductions upon written authorization of the employee.

Sec. 3. RCW 41.59.060 and 1975 1st ex.s. c 288 s 7 are each amended to read as follows:

(1) Employees shall have the right to self-organization, to form, join, or assist employee organizations, to bargain collectively through representatives of their own choosing, and shall also have the right to refrain from any or all of such activities except to the extent that employees may be required to pay a fee to any employee organization under an agency shop agreement authorized in this chapter.

(2) ~~((The exclusive bargaining representative shall have the right to have deducted from the salary of employees, upon receipt of an appropriate authorization form which shall not be irrevocable for a period of more than one year, an amount equal to the fees and dues required for membership. Such fees and dues shall be deducted monthly from the pay of all appropriate employees by the employer and transmitted as provided for by agreement between the employer and the exclusive bargaining representative, unless an automatic payroll deduction service is established pursuant to law, at which time such fees and dues shall be transmitted as therein provided. If an agency shop provision is agreed to and becomes effective pursuant to RCW 41.59.100, except as provided in that section, the agency fee equal to the fees and dues required of membership in the exclusive bargaining representative shall be deducted from the salary of employees in the bargaining unit.))~~ (a) Upon written authorization of an employee within the bargaining unit and after the certification or recognition of the bargaining unit's exclusive bargaining representative, the employer must deduct from the payments to the employee the monthly amount of dues as

certified by the secretary of the exclusive bargaining representative and must transmit the same to the treasurer of the exclusive bargaining representative.

(b) If the employer and the exclusive bargaining representative of a bargaining unit enter into a collective bargaining agreement that:

(i) Includes a union security provision authorized under RCW 41.59.100, the employer must enforce the agreement by deducting from the payments to bargaining unit members the dues required for membership in the exclusive bargaining representative, or, for nonmembers thereof, a fee equivalent to the dues; or

(ii) Includes requirements for deductions of payments other than the deduction under (b)(i) of this subsection, the employer must make such deductions upon written authorization of the employee.

Sec. 4. RCW 41.76.045 and 2002 c 356 s 12 are each amended to read as follows:

~~(1) ((Upon filing with the employer the voluntary written authorization of a bargaining unit faculty member under this chapter, the employee organization which is the exclusive bargaining representative of the bargaining unit shall have the right to have deducted from the salary of the bargaining unit faculty member the periodic dues and initiation fees uniformly required as a condition of acquiring or retaining membership in the exclusive bargaining representative. Such employee authorization shall not be irrevocable for a period of more than one year. Such dues and fees shall be deducted from the pay of all faculty members who have given authorization for such deduction, and shall be transmitted by the employer to the employee organization or to the depository designated by the employee organization.~~

~~(2)) (a) A collective bargaining agreement may include union security provisions, but not a closed shop. ((If an agency shop or other union security provision is agreed to, the employer shall enforce any such provision by deductions from the salary of bargaining unit faculty members affected thereby and shall transmit such funds to the employee organization or to the depository designated by the employee organization.~~

~~(3)) (b) Upon written authorization of an employee within the bargaining unit and after the certification or recognition of the bargaining unit's exclusive bargaining representative, the employer must deduct from the payments to the employee the monthly amount of dues as certified by the secretary of the exclusive bargaining representative and must transmit the same to the treasurer of the exclusive bargaining representative.~~

(c) If the employer and the exclusive bargaining representative of a bargaining unit enter into a collective bargaining agreement that:

(i) Includes a union security provision authorized under (a) of this subsection, the employer must enforce the agreement by deducting from the payments to bargaining unit members the dues required for membership in the exclusive bargaining representative, or, for nonmembers thereof, a fee equivalent to the dues; or

(ii) Includes requirements for deductions of payments other than the deduction under (c)(i) of this subsection, the employer must make such deductions upon written authorization of the employee.

(2) A faculty member who is covered by a union security provision and who asserts a right of nonassociation based on bona fide religious tenets or teachings

of a church or religious body of which such faculty member is a member shall pay to a nonreligious charity or other charitable organization an amount of money equivalent to the periodic dues and initiation fees uniformly required as a condition of acquiring or retaining membership in the exclusive bargaining representative. The charity shall be agreed upon by the faculty member and the employee organization to which such faculty member would otherwise pay the dues and fees. The faculty member shall furnish written proof that such payments have been made. If the faculty member and the employee organization do not reach agreement on such matter, the dispute shall be submitted to the commission for determination.

Sec. 5. RCW 41.80.100 and 2002 c 354 s 311 are each amended to read as follows:

(1) A collective bargaining agreement may contain a union security provision requiring as a condition of employment the payment, no later than the thirtieth day following the beginning of employment or July 1, 2004, whichever is later, of an agency shop fee to the employee organization that is the exclusive bargaining representative for the bargaining unit in which the employee is employed. The amount of the fee shall be equal to the amount required to become a member in good standing of the employee organization. Each employee organization shall establish a procedure by which any employee so requesting may pay a representation fee no greater than the part of the membership fee that represents a pro rata share of expenditures for purposes germane to the collective bargaining process, to contract administration, or to pursuing matters affecting wages, hours, and other conditions of employment.

(2) An employee who is covered by a union security provision and who asserts a right of nonassociation based on bona fide religious tenets, or teachings of a church or religious body of which the employee is a member, shall, as a condition of employment, make payments to the employee organization, for purposes within the program of the employee organization as designated by the employee that would be in harmony with his or her individual conscience. The amount of the payments shall be equal to the periodic dues and fees uniformly required as a condition of acquiring or retaining membership in the employee organization minus any included monthly premiums for insurance programs sponsored by the employee organization. The employee shall not be a member of the employee organization but is entitled to all the representation rights of a member of the employee organization.

(3) ~~((Upon filing with the employer the written authorization of a bargaining unit employee under this chapter, the employee organization that is the exclusive bargaining representative of the bargaining unit shall have the exclusive right to have deducted from the salary of the employee an amount equal to the fees and dues uniformly required as a condition of acquiring or retaining membership in the employee organization. The fees and dues shall be deducted each pay period from the pay of all employees who have given authorization for the deduction and shall be transmitted by the employer as provided for by agreement between the employer and the employee organization.))~~ (a) Upon written authorization of an employee within the bargaining unit and after the certification or recognition of the bargaining unit's exclusive bargaining representative, the employer must deduct from the payments to the employee the monthly amount of dues as

certified by the secretary of the exclusive bargaining representative and must transmit the same to the treasurer of the exclusive bargaining representative.

(b) If the employer and the exclusive bargaining representative of a bargaining unit enter into a collective bargaining agreement that:

(i) Includes a union security provision authorized under subsection (1) of this section, the employer must enforce the agreement by deducting from the payments to bargaining unit members the dues required for membership in the exclusive bargaining representative, or, for nonmembers thereof, a fee equivalent to the dues; or

(ii) Includes requirements for deductions of payments other than the deduction under (b)(i) of this subsection, the employer must make such deductions upon written authorization of the employee.

(4) Employee organizations that before July 1, 2004, were entitled to the benefits of this section shall continue to be entitled to these benefits.

Sec. 6. RCW 49.39.080 and 2010 c 6 s 9 are each amended to read as follows:

(1) Upon the written authorization of ((any symphony musician)) an employee within the bargaining unit and after the certification or recognition of the bargaining unit's exclusive bargaining representative, the employer must deduct from the ((pay of the symphony musician)) payments to the employee the monthly amount of dues as certified by the secretary of the exclusive bargaining representative and must transmit the ((dues)) same to the treasurer of the exclusive bargaining representative.

(2) If the employer and the exclusive bargaining representative of a bargaining unit enter into a collective bargaining agreement that:

(a) Includes a union security provision authorized under RCW 49.39.090, the employer must enforce the agreement by deducting from the payments to bargaining unit members the dues required for membership in the exclusive bargaining representative, or, for nonmembers thereof, a fee equivalent to the dues; or

(b) Includes requirements for deductions of payments other than the deduction under (a) of this subsection, the employer must make such deductions upon written authorization of the employee.

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CHAPTER 248

[Substitute Senate Bill 5493]

PREVAILING RATE OF WAGE--COLLECTIVE BARGAINING AGREEMENTS

AN ACT Relating to establishing the prevailing rate of wage based on collective bargaining agreements or other methods if collective bargaining agreements are not available; and amending RCW 39.12.015.

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

Sec. 1. RCW 39.12.015 and 1965 ex.s. c 133 s 2 are each amended to read as follows:

(1) All determinations of the prevailing rate of wage shall be made by the industrial statistician of the department of labor and industries.

(2) Notwithstanding RCW 39.12.010(1), the industrial statistician shall establish the prevailing rate of wage by adopting the hourly wage, usual benefits, and overtime paid for the geographic jurisdiction established in collective bargaining agreements for those trades and occupations that have collective bargaining agreements. For trades and occupations with more than one collective bargaining agreement in the county, the higher rate will prevail.

(3) For trades and occupations in which there are no collective bargaining agreements in the county, the industrial statistician shall establish the prevailing rate of wage as defined in RCW 39.12.010 by conducting wage and hour surveys. In instances when there are no applicable collective bargaining agreements and conducting wage and hour surveys is not feasible, the industrial statistician may employ other appropriate methods to establish the prevailing rate of wage.

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CHAPTER 249

[Substitute Senate Bill 6126]

JOURNEY LEVEL ELECTRICIAN CERTIFICATES--APPRENTICESHIP

AN ACT Relating to requiring completion of an apprenticeship program to receive a journey level electrician certificate of competency; amending RCW 19.28.191, 19.28.161, and 19.28.205; adding a new section to chapter 19.28 RCW; providing an effective date; and providing an expiration date.

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

Sec. 1. RCW 19.28.191 and 2016 c 198 s 2 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.~~

~~(A))~~ 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.

~~(B))~~ (b) 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.

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

~~(1))~~ successfully completed an apprenticeship program approved under chapter 49.04 RCW or equivalent apprenticeship program approved by the department for the electrical construction trade in which the applicant worked in the electrical construction trade for a minimum of eight thousand hours~~(, of which)~~. Four thousand of the 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)).~~ The holder of a specialty electrician certificate of competency with a four thousand hour work experience requirement shall be allowed to credit the work experience required to obtain that certificate towards apprenticeship requirements for qualifying to take the examination for a journey level electrician certificate of competency.

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

~~(A))~~ (i) 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;

~~(B))~~ (ii) 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 ~~(E))~~ (d)(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))~~ (d)(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 excluding the replacement or repair of circuit breakers. The department may alter the scope of work for the restricted nonresidential maintenance specialty by rule. 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 specialties in ~~((g))~~ (d)(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; ~~((e))~~

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

~~((ii))~~ (iv) 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))~~ (e) 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 required under the apprenticeship program. 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 complete an apprenticeship and take the examination for the journey level electrician certificate of competency.

~~((H))~~ (f) 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.

~~((H))~~ (g) 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))~~ (h) 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))~~ instructions 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.

Sec. 2. RCW 19.28.161 and 2013 c 23 s 29 are each amended to read as follows:

(1) No person may engage in the electrical construction trade without having a valid master journey level electrician certificate of competency, journey level electrician certificate of competency, master specialty electrician certificate of competency, or specialty electrician certificate of competency issued by the department in accordance with this chapter. Electrician certificate of competency specialties include, but are not limited to: Residential, pump and irrigation, limited energy system, signs, nonresidential maintenance, restricted nonresidential maintenance, and appliance repair. ~~((Until July 1, 2007, the department of labor and industries shall issue a written warning to any specialty pump and irrigation or domestic pump electrician not having a valid electrician certification. The warning will state that the individual must apply for an electrical training certificate or be qualified for and apply for electrician certification under the requirements in RCW 19.28.191(1)(g) within thirty calendar days of the warning. Only one warning will be issued to any individual. If the individual fails to comply with this section, the department shall issue a penalty as defined in RCW 19.28.271 to the individual.))~~

(2)(a) A person who is ~~((indentured))~~: (i) Registered in an apprenticeship program approved under chapter 49.04 RCW or equivalent apprenticeship program approved by the department for the electrical construction trade ~~((or who is))~~; (ii) learning the electrical construction trade while working in a specialty; or (iii) learning the electrical construction trade in a program described in RCW 19.28.191(1) (e) or (f) for a journey level certificate of competency may work in the electrical construction trade if supervised by a certified master journey level electrician, journey level electrician, master specialty electrician in that electrician's specialty, or specialty electrician in that electrician's specialty.

(b) All apprentices and individuals learning the electrical construction trade shall obtain an electrical training certificate from the department. The certificate

shall authorize the holder to learn the electrical construction trade while under the direct 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. The certificate may include a photograph of the holder. The holder of the electrical training certificate shall renew the certificate biennially. At the time of renewal, the holder shall provide the department with an accurate list of the holder's employers in the electrical construction industry for the previous biennial period and the number of hours worked for each employer. The holder shall also provide proof of ~~((sixteen))~~ forty-eight hours of: Approved classroom training covering this chapter, the national electrical code, or electrical theory; or equivalent classroom training taken as part of an approved apprenticeship program under chapter 49.04 RCW or an approved electrical training program under RCW 19.28.191(1)~~((h))~~ (e). ~~((The number of hours of approved classroom training required for certificate renewal shall increase as follows: (a) Beginning on July 1, 2011, the holder of an electrical training certificate shall provide the department with proof of thirty two hours of approved classroom training; and (b) beginning on July 1, 2013, the holder of an electrical training certificate shall provide the department with proof of forty eight hours of approved classroom training. At the request of the chairs of the house of representatives commerce and labor committee and the senate labor, commerce and consumer protection committee, or their successor committees, the department of labor and industries shall provide information on the implementation of the new classroom training requirements for electrical trainees to both committees by December 1, 2012.))~~ A biennial fee shall be charged for the issuance or renewal of the certificate. The department shall set the fee by rule. The fee shall cover but not exceed the cost of administering and enforcing the trainee certification and supervision requirements of this chapter.

(c)(i) Apprentices and individuals learning the electrical construction trade shall have their electrical training certificates in their possession at all times that they are performing electrical work. They shall show their certificates to an authorized representative of the department at the representative's request.

(ii) Unless working in a specialty, apprentices and individuals learning the electrical construction trade must also have in their possession proof of apprenticeship or training program registration. They shall show their apprenticeship or training program registration documents to an authorized representative of the department at the representative's request.

(3) Any person who has been issued an electrical training certificate under this chapter may work: (a) If that person is under supervision, and is (b) unless working in a specialty, (i) registered in an approved journey level apprenticeship program, as appropriate; or (ii) learning the electrical construction trade in a program described in RCW 19.28.191(1)(e) for a journey level certificate of competency. Supervision shall consist of a person being on the same job site and under the control of either a certified 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. Either a certified 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 shall be on the same job site as

the noncertified individual for a minimum of seventy-five percent of each working day unless otherwise provided in this chapter.

(4) The ratio of noncertified individuals to certified master journey level electricians, journey level electricians, master specialty electricians, or specialty electricians on any one job site is as follows:

(a) When working as a specialty electrician, not more than two noncertified individuals for every certified master specialty electrician working in that electrician's specialty, specialty electrician working in that electrician's specialty, master journey level electrician, or journey level electrician, except that the ratio requirements are one certified master specialty electrician working in that electrician's specialty, specialty electrician working in that electrician's specialty, master journey level electrician, or journey level electrician working as a specialty electrician to no more than four students enrolled in and working as part of an electrical construction program at public community or technical colleges, or not-for-profit nationally accredited trade or technical schools licensed by the workforce training and education coordinating board under chapter 28C.10 RCW. In meeting the ratio requirements for students enrolled in an electrical construction program at a trade school, a trade school may receive input and advice from the electrical board; and

(b) When working as a journey level electrician, not more than one noncertified individual for every certified master journey level electrician or journey level electrician, except that the ratio requirements shall be one certified master journey level electrician or journey level electrician to no more than four students enrolled in and working as part of an electrical construction program at public community or technical colleges, or not-for-profit nationally accredited trade or technical schools licensed by the workforce training and education coordinating board under chapter 28C.10 RCW. In meeting the ratio requirements for students enrolled in an electrical construction program at a trade school, a trade school may receive input and advice from the electrical board.

An individual who has a current training certificate and who has successfully completed or is currently enrolled in an approved apprenticeship program or in an electrical construction program 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 work without direct on-site supervision during the last six months of meeting the practical experience requirements of this chapter.

(5) For 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)), restricted nonresidential maintenance as determined by the department in rule, or other new nonresidential specialties, not including appliance repair, as determined by the department in rule, either 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 must be on the same job site as the noncertified individual for a minimum of seventy-five percent of each working day. Other specialties must meet the requirements specified in

RCW 19.28.191(1)(~~(g)~~) (d)(ii). When the ratio of certified electricians to noncertified individuals on a job site is one certified electrician to three or four noncertified individuals, the certified electrician must:

(a) Directly supervise and instruct the noncertified individuals and the certified electrician may not directly make or engage in an electrical installation; and

(b) Be on the same job site as the noncertified individual for a minimum of one hundred percent of each working day.

(6) The electrical contractor shall accurately verify and attest to the electrical trainee hours worked by electrical trainees on behalf of the electrical contractor.

Sec. 3. RCW 19.28.205 and 2013 c 23 s 32 are each amended to read as follows:

(1) An applicant for a journey level certificate of competency under RCW 19.28.191(1)(~~(f)~~) (c) or a specialty electrician certificate of competency under RCW 19.28.191(1)(~~(g)~~) (d) must demonstrate to the satisfaction of the department completion of in-class education as follows:

(a) Twenty-four hours of in-class education if two thousand hours or more but less than four thousand hours of work are required for the certificate;

(b) Forty-eight hours of in-class education if four thousand or more but less than six thousand hours of work are required for the certificate;

(c) Seventy-two hours of in-class education if six thousand or more but less than eight thousand hours of work are required for the certificate;

(d) Ninety-six hours of in-class education if eight thousand or more hours of work are required for the certificate.

(2) For purposes of this section, "in-class education" means approved classroom training covering this chapter, the national electric code, or electrical theory; or equivalent classroom training taken as part of an approved apprenticeship program under chapter 49.04 RCW or an approved electrical training program under RCW 19.28.191(1)(~~(h)~~) (e).

(3) Classroom training taken to qualify for trainee certificate renewal under RCW 19.28.161 qualifies as in-class education under this section.

NEW SECTION. Sec. 4. A new section is added to chapter 19.28 RCW to read as follows:

(1) The department may permit an applicant who obtained experience and training equivalent to a journey level apprenticeship program to take the examination if the applicant establishes that the applicant has the equivalent training and experience and demonstrates good cause for not completing the required minimum hours of work under standards applicable on the effective date of this section.

(2) This section expires July 1, 2025.

NEW SECTION. Sec. 5. Sections 1 through 4 of this act take effect July 1, 2023.

Passed by the Senate March 5, 2018.

Passed by the House February 27, 2018.

Approved by the Governor March 23, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 250

[Engrossed Senate Bill 6229]

EXCLUSIVE BARGAINING REPRESENTATIVES--NEW EMPLOYEE ACCESS

AN ACT Relating to requiring employers to provide exclusive bargaining representatives reasonable access to new employees for the purposes of presenting information about their exclusive bargaining representative; adding a new section to chapter 41.56 RCW; adding a new section to chapter 28B.52 RCW; adding a new section to chapter 41.59 RCW; adding a new section to chapter 41.76 RCW; adding a new section to chapter 41.80 RCW; adding a new section to chapter 47.64 RCW; and adding a new section to chapter 49.39 RCW.

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

NEW SECTION. Sec. 1. A new section is added to chapter 41.56 RCW to read as follows:

(1)(a) The employer must provide the exclusive bargaining representative reasonable access to new employees of the bargaining unit for the purposes of presenting information about their exclusive bargaining representative to the new employee. The presentation may occur during a new employee orientation provided by the employer, or at another time mutually agreed to by the employer and the exclusive bargaining representative.

(b) No employee may be mandated to attend the meetings or presentations by the exclusive bargaining representative.

(c) "Reasonable access" for the purposes of this section means:

(i) The access to the new employee occurs within ninety days of the employee's start date within the bargaining unit;

(ii) The access is for no less than thirty minutes; and

(iii) The access occurs during the new employee's regular work hours at the employee's regular worksite, or at a location mutually agreed to by the employer and the exclusive bargaining representative.

(2) Nothing in this section prohibits an employer from agreeing to longer or more frequent new employee access, but in no case may an employer agree to less access than required by this section.

NEW SECTION. Sec. 2. A new section is added to chapter 28B.52 RCW to read as follows:

Section 1 of this act applies to this chapter.

NEW SECTION. Sec. 3. A new section is added to chapter 41.59 RCW to read as follows:

Section 1 of this act applies to this chapter.

NEW SECTION. Sec. 4. A new section is added to chapter 41.76 RCW to read as follows:

Section 1 of this act applies to this chapter.

NEW SECTION. Sec. 5. A new section is added to chapter 41.80 RCW to read as follows:

Section 1 of this act applies to this chapter.

NEW SECTION. Sec. 6. A new section is added to chapter 47.64 RCW to read as follows:

Section 1 of this act applies to this chapter.

NEW SECTION. Sec. 7. A new section is added to chapter 49.39 RCW to read as follows:

Section 1 of this act applies to this chapter.

Passed by the Senate February 12, 2018.

Passed by the House February 27, 2018.

Approved by the Governor March 23, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 251

[Engrossed Senate Bill 6230]

PORT DISTRICTS--PROFESSIONAL PERSONNEL COLLECTIVE BARGAINING

AN ACT Relating to the collective bargaining rights of the professional personnel of port districts; and amending RCW 53.18.010 and 53.18.060.

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

Sec. 1. RCW 53.18.010 and 1967 c 101 s 1 are each amended to read as follows:

"Port district" shall mean a municipal corporation of the state of Washington created pursuant to Title 53 RCW. Said port districts may also be hereinafter referred to as the "employer."

"Employee" shall include all port employees except managerial(~~;~~ ~~professional~~) and administrative personnel, and their confidential assistants.

"Employee organization" means any lawful association, labor organization, union, federation, council, or brotherhood, having as its primary purpose the representation of employees on matters of employment relations.

"Employment relations" includes, but is not limited to, matters concerning wages, salaries, hours, vacation, sick leave, holiday pay and grievance procedures.

Sec. 2. RCW 53.18.060 and 1967 c 101 s 6 are each amended to read as follows:

No labor agreement or contract entered into by a port district shall:

- (1) Restrict the right of the port district in its discretion to hire;
- (2) Limit the right of the port to secure its regular or steady employees from the local community; (~~and~~)
- (3) Include within the same agreements: (a) Port security personnel(~~((or))~~) and (b) port supervisory personnel; and
- (4) Include within the same bargaining unit: (a) Port professional personnel and (b) port supervisory personnel.

Passed by the Senate February 12, 2018.

Passed by the House February 27, 2018.

Approved by the Governor March 23, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 252

[Senate Bill 6231]

STATE COLLECTIVE BARGAINING--UNFAIR LABOR PRACTICES--STATUTE OF
LIMITATIONS--SUPERIOR COURT

AN ACT Relating to the statute of limitations for unfair labor practice complaints filed in superior court; and amending RCW 41.56.160, 41.59.150, 41.76.055, 41.80.120, 47.64.132, 49.39.140, and 28B.52.065.

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

Sec. 1. RCW 41.56.160 and 1994 c 58 s 1 are each amended to read as follows:

(1) The commission is empowered and directed to prevent any unfair labor practice and to issue appropriate remedial orders: PROVIDED, That a complaint shall not be processed for any unfair labor practice occurring more than six months before the filing of the complaint with the commission or in superior court. This power shall not be affected or impaired by any means of adjustment, mediation or conciliation in labor disputes that have been or may hereafter be established by law.

(2) If the commission determines that any person has engaged in or is engaging in an unfair labor practice, the commission shall issue and cause to be served upon the person an order requiring the person to cease and desist from such unfair labor practice, and to take such affirmative action as will effectuate the purposes and policy of this chapter, such as the payment of damages and the reinstatement of employees.

(3) The commission may petition the superior court for the county in which the main office of the employer is located or in which the person who has engaged or is engaging in such unfair labor practice resides or transacts business, for the enforcement of its order and for appropriate temporary relief.

Sec. 2. RCW 41.59.150 and 1983 c 58 s 3 are each amended to read as follows:

(1) The commission is empowered to prevent any person from engaging in any unfair labor practice as defined in RCW 41.59.140: PROVIDED, That a complaint shall not be processed for any unfair labor practice occurring more than six months before the filing of the complaint with the commission or in superior court. This power shall not be affected by any other means of adjustment or prevention that has been or may be established by agreement, law, equity or otherwise.

(2) If the commission determines that any person has engaged in or is engaging in any such unfair labor practices as defined in RCW 41.59.140, then the commission shall issue and cause to be served upon such person an order requiring such person to cease and desist from such unfair labor practice, and to take such affirmative action as will effectuate the purposes and policy of this chapter, such as the payment of damages and/or the reinstatement of employees.

(3) The commission may petition the superior court for the county in which the main office of the employer is located or wherein the person who has engaged or is engaging in such unfair labor practice resides or transacts business, for the enforcement of its order and for appropriate temporary relief.

Sec. 3. RCW 41.76.055 and 2002 c 356 s 14 are each amended to read as follows:

(1) The commission is empowered to prevent any person from engaging in any unfair labor practice as defined in RCW 41.76.050: PROVIDED, That a complaint shall not be processed for any unfair labor practice occurring more than six months before the filing of the complaint with the commission or in superior court. This power shall not be affected by any other means of adjustment or prevention that has been or may be established by agreement, law, equity or otherwise.

(2) If the commission determines that any person has engaged in or is engaging in any such unfair labor practice as defined in RCW 41.76.050, then the commission shall issue and cause to be served upon such person an order requiring such person to cease and desist from such unfair labor practice, and to take such affirmative action as will effectuate the purposes and policy of this chapter, such as the payment of damages and/or the reinstatement of faculty members.

(3) The commission may petition the superior court for the county in which the main office of the employer is located or wherein the person who has engaged or is engaging in such unfair labor practice resides or transacts business, for the enforcement of its order and for appropriate temporary relief.

Sec. 4. RCW 41.80.120 and 2002 c 354 s 313 are each amended to read as follows:

(1) The commission is empowered and directed to prevent any unfair labor practice and to issue appropriate remedial orders: PROVIDED, That a complaint shall not be processed for any unfair labor practice occurring more than six months before the filing of the complaint with the commission or in superior court. This power shall not be affected or impaired by any means of adjustment, mediation, or conciliation in labor disputes that have been or may hereafter be established by law.

(2) If the commission determines that any person has engaged in or is engaging in an unfair labor practice, the commission shall issue and cause to be served upon the person an order requiring the person to cease and desist from such unfair labor practice, and to take such affirmative action as will effectuate the purposes and policy of this chapter, such as the payment of damages and the reinstatement of employees.

(3) The commission may petition the superior court for the county in which the main office of the employer is located or in which the person who has engaged or is engaging in such unfair labor practice resides or transacts business, for the enforcement of its order and for appropriate temporary relief.

Sec. 5. RCW 47.64.132 and 2011 1st sp.s. c 16 s 26 are each amended to read as follows:

(1) The commission is empowered and directed to prevent any unfair labor practice and to issue appropriate remedial orders; however, a complaint shall not be processed for any unfair labor practice occurring more than six months before the filing of the complaint with the commission or in superior court. This power shall not be affected or impaired by any means of adjustment, mediation, or conciliation in labor disputes that have been or may hereafter be established by law.

(2) If the commission determines that any person has engaged in or is engaging in an unfair labor practice, the commission shall issue and cause to be

served upon the person an order requiring the person to cease and desist from such unfair labor practice, and to take such affirmative action as will effectuate the purposes and policy of this chapter, such as the payment of damages and the reinstatement of employees.

(3) The commission may petition the superior court for the county in which the main office of the employer is located or in which the person who has engaged or is engaging in such unfair labor practice resides or transacts business, for the enforcement of its order and for appropriate temporary relief.

Sec. 6. RCW 49.39.140 and 2010 c 6 s 15 are each amended to read as follows:

(1) The commission must prevent unfair labor practices and issue appropriate remedial orders. However, a complaint may not be processed for an unfair labor practice occurring more than six months before the filing of the complaint with the commission or in superior court.

(2) If the commission determines that a person has engaged in or is engaging in an unfair labor practice, the commission must issue and serve upon the person an order requiring the person to cease and desist from the unfair labor practice. The commission may take action to carry out the purposes and policy of this chapter, including requiring the person to pay damages and reinstate employees.

(3) The commission may petition the superior court for the county in which the main office of the employer is located or in which the person who has engaged or is engaging in the unfair labor practice resides or transacts business, for the enforcement of its order and for appropriate temporary relief.

Sec. 7. RCW 28B.52.065 and 1987 c 314 s 10 are each amended to read as follows:

The commission may adjudicate any unfair labor practices alleged by a board of trustees or an employee organization and shall adopt reasonable rules to administer this section, except that a complaint must not be processed for any unfair labor practice occurring more than six months before the filing of the complaint with the commission or in superior court. However, the parties may agree to seek relief from unfair labor practices through binding arbitration.

Passed by the Senate February 9, 2018.

Passed by the House March 2, 2018.

Approved by the Governor March 23, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 253

[Second Substitute Senate Bill 6245]

SPOKEN LANGUAGE INTERPRETER SERVICES

AN ACT Relating to spoken language interpreter services; amending RCW 74.04.025, 39.26.100, 41.56.030, 41.56.030, 41.56.510, and 41.56.510; adding a new section to chapter 39.26 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. It is the intent of the legislature to centralize and consolidate the procurement of spoken language interpreter services and expand the use of language access providers, thereby reducing administrative costs

while protecting consumers. The legislature further intends to exclude interpreter services for sensory-impaired persons from the provisions of this act.

Sec. 2. RCW 74.04.025 and 2011 1st sp.s. c 15 s 63 are each amended to read as follows:

(1) The department, the authority, and the office of administrative hearings shall ensure that bilingual services are provided to non-English speaking applicants and recipients. The services shall be provided to the extent necessary to assure that non-English speaking persons are not denied, or unable to obtain or maintain, services or benefits because of their inability to speak English.

(2) If the number of non-English speaking applicants or recipients sharing the same language served by any community service office client contact job classification equals or exceeds fifty percent of the average caseload of a full-time position in such classification, the department shall, through attrition, employ bilingual personnel to serve such applicants or recipients.

(3) Regardless of the applicant or recipient caseload of any community service office, each community service office shall ensure that bilingual services required to supplement the community service office staff are provided through contracts with language access providers, local agencies, or other community resources.

(4) The department shall certify, authorize, and qualify language access providers as needed to maintain an adequate pool of providers such that residents can access state services. Except as needed to certify, authorize, or qualify bilingual personnel per subsection (2) of this section, the department will only offer spoken language interpreter testing in the following manner:

(a) To individuals speaking languages for which ten percent or more of the requests for interpreter services in the prior year for department employees and the health care authority on behalf of limited English-speaking applicants and recipients of public assistance that went unfilled through the procurement process in section 3 of this act;

(b) To spoken language interpreters who were decertified or deauthorized due to noncompliance with any continuing education requirements; and

(c) To current department certified or authorized spoken language interpreters seeking to gain additional certification or authorization.

(5) The department shall require compliance with RCW 41.56.113(2) through its contracts with third parties.

(6) Initial client contact materials shall inform clients in all primary languages of the availability of interpretation services for non-English speaking persons. Basic informational pamphlets shall be translated into all primary languages.

(7) To the extent all written communications directed to applicants or recipients are not in the primary language of the applicant or recipient, the department and the office of administrative hearings shall include with the written communication a notice in all primary languages of applicants or recipients describing the significance of the communication and specifically how the applicants or recipients may receive assistance in understanding, and responding to if necessary, the written communication. The department shall assure that sufficient resources are available to assist applicants and recipients in a timely fashion with understanding, responding to, and complying with the requirements of all such written communications.

(8) As used in this section:

(a) "Language access provider" means any independent contractor who provides spoken language interpreter services for (~~(the department)~~) state agencies, injured worker, or crime victim appointments through the department of labor and industries, or medicaid enrollee appointments, or provided these services on or after January 1, 2009, and before June 10, 2010, whether paid by a broker, language access agency, or (~~(the department)~~) a state agency. "Language access provider" does not mean (~~(an owner,)~~) a manager(~~(s)~~) or employee of a broker or a language access agency.

(b) "Primary languages" includes but is not limited to Spanish, Vietnamese, Cambodian, Laotian, and Chinese.

NEW SECTION. Sec. 3. A new section is added to chapter 39.26 RCW to read as follows:

(1) The department of social and health services, the department of children, youth, and families, and the health care authority are each authorized to purchase interpreter services on behalf of limited English-speaking applicants and recipients of public assistance.

(2) The department of labor and industries is authorized to purchase interpreter services for medical and vocational providers authorized to provide services to limited English-speaking injured workers or crime victims.

(3) No later than September 1, 2020, the department of social and health services, the department of children, youth, and families, the health care authority, and the department of labor and industries must purchase in-person spoken language interpreter services directly from language access providers as defined in RCW 74.04.025, or through limited contracts with scheduling and coordinating delivery organizations, or both. Each state agency must have at least one contract with an entity that provides interpreter services through telephonic and video remote technologies. Nothing in this section precludes the department of labor and industries from purchasing in-person spoken language interpreter services directly from language access providers or from directly reimbursing language access providers.

(4) Notwithstanding subsection (3) of this section, the department of labor and industries may pay a language access provider directly for the costs of interpreter services when the services are necessary for use by a medical provider for emergency or urgent care, or where the medical provider determines that advanced notice is not feasible.

(5) Upon the expiration of any contract in effect on the effective date of this section, but no later than September 1, 2020, the department must develop and implement a model that all state agencies must use to procure spoken language interpreter services by purchasing directly from language access providers or through contracts with scheduling and coordinating entities, or both. The department must have at least one contract with an entity that provides interpreter services through telephonic and video remote technologies. If the department determines it is more cost-effective or efficient, it may jointly purchase these services with the department of social and health services, the department of children, youth, and families, the health care authority, and the department of labor and industries as provided in subsection (3) of this section. The department of social and health services, department of children, youth, and families, the health care authority, and the department of labor and industries

have the authority to procure interpreters through the department if the demand for spoken language interpreters cannot be met through their respective contracts.

(6) All interpreter services procured under this section must be provided by language access providers who are certified or authorized by the state, or nationally certified by the certification commission for health care interpreters or the national board for certification of medical interpreters. When a nationally certified, state-certified, or authorized language access provider is not available, a state agency is authorized to contract with a spoken language interpreter with other certifications or qualifications deemed to meet agency needs. Nothing in this subsection precludes providing interpretive services through state employees or employees of medical or vocational providers.

(7) Nothing in this section is intended to address how state agencies procure interpreters for sensory-impaired persons.

(8) For purposes of this section, "state agency" means any state office or activity of the executive branch of state government, including state agencies, departments, offices, divisions, boards, commissions, and correctional and other types of institutions, but excludes institutions of higher education as defined in RCW 28B.10.016, the school for the blind, and the center for childhood deafness and hearing loss.

Sec. 4. RCW 39.26.100 and 2013 2nd sp.s. c 33 s 2 are each amended to read as follows:

(1) The provisions of this chapter do not apply in any manner to the operation of the state legislature except as requested by the legislature.

(2) The provisions of this chapter do not apply to the contracting for services, equipment, and activities that are necessary to establish, operate, or manage the state data center, including architecture, design, engineering, installation, and operation of the facility, that are approved by the technology services board or the acquisition of proprietary software, equipment, and information technology services necessary for or part of the provision of services offered by the consolidated technology services agency.

(3) Primary authority for the purchase of specialized equipment, and instructional and research material, for their own use rests with the institutions of higher education as defined in RCW 28B.10.016.

(4) Universities operating hospitals with approval from the director, as the agent for state hospitals as defined in RCW 72.23.010, and for health care programs provided in state correctional institutions as defined in RCW 72.65.010(3) and veterans' institutions as defined in RCW 72.36.010 and 72.36.070, may make purchases for hospital operation by participating in contracts for materials, supplies, and equipment entered into by nonprofit cooperative hospital group purchasing organizations if documented to be more cost-effective.

(5) Primary authority for the purchase of materials, supplies, and equipment, for resale to other than public agencies, rests with the state agency concerned.

(6) The authority for the purchase of insurance and bonds rests with the risk manager under RCW 43.19.769, except for institutions of higher education that choose to exercise independent purchasing authority under RCW 28B.10.029.

(7) ~~((The authority to purchase interpreter services and interpreter brokerage services on behalf of limited-English-speaking or sensory-impaired applicants~~

~~and recipients of public assistance rests with the department of social and health services and the health care authority.~~

(8)) The provisions of this chapter do not apply to information technology purchases by state agencies, other than institutions of higher education and agencies of the judicial branch, if (a) the purchase is less than one hundred thousand dollars, (b) the initial purchase is approved by the chief information officer of the state, and (c) the agency director and the chief information officer of the state jointly prepare a public document providing a detailed justification for the expenditure.

Sec. 5. RCW 41.56.030 and 2015 2nd sp.s. c 6 s 1 are each amended to read as follows:

As used in this chapter:

(1) "Adult family home provider" means a provider as defined in RCW 70.128.010 who receives payments from the medicaid and state-funded long-term care programs.

(2) "Bargaining representative" means any lawful organization which has as one of its primary purposes the representation of employees in their employment relations with employers.

(3) "Child care subsidy" means a payment from the state through a child care subsidy program established pursuant to RCW 74.12.340 (~~(or 74.08A.340)~~), 45 C.F.R. Sec. 98.1 through 98.17, or any successor program.

(4) "Collective bargaining" means the performance of the mutual obligations of the public employer and the exclusive bargaining representative to meet at reasonable times, to confer and negotiate in good faith, and to execute a written agreement with respect to grievance procedures and collective negotiations on personnel matters, including wages, hours and working conditions, which may be peculiar to an appropriate bargaining unit of such public employer, except that by such obligation neither party shall be compelled to agree to a proposal or be required to make a concession unless otherwise provided in this chapter.

(5) "Commission" means the public employment relations commission.

(6) "Executive director" means the executive director of the commission.

(7) "Family child care provider" means a person who: (a) Provides regularly scheduled care for a child or children in the home of the provider or in the home of the child or children for periods of less than twenty-four hours or, if necessary due to the nature of the parent's work, for periods equal to or greater than twenty-four hours; (b) receives child care subsidies; and (c) is either licensed by the state under RCW 74.15.030 or is exempt from licensing under chapter 74.15 RCW.

(8) "Individual provider" means an individual provider as defined in RCW 74.39A.240(~~((4))~~) (3) who, solely for the purposes of collective bargaining, is a public employee as provided in RCW 74.39A.270.

(9) "Institution of higher education" means the University of Washington, Washington State University, Central Washington University, Eastern Washington University, Western Washington University, The Evergreen State College, and the various state community colleges.

(10)(a) "Language access provider" means any independent contractor who provides spoken language interpreter services (~~(for department of social and health services appointments or medicaid enrollee appointments, or provided~~

~~these services on or after January 1, 2009, and before June 10, 2010)), whether paid by a broker, language access agency, or the respective department:~~

(i) For department of social and health services appointments, department of children, youth, and families appointments, medicaid enrollee appointments, or who provided these services on or after January 1, 2011, and before June 10, 2012;

(ii) For department of labor and industries authorized medical and vocational providers, or who provided these services on or after January 1, 2016, and before the effective date of this section; or

(iii) For state agencies, or who provided these services on or after January 1, 2016, and before the effective date of this section.

(b) "Language access provider" does not mean ~~((an owner,))~~ a manager(,;) or employee of a broker or a language access agency.

(11) "Public employee" means any employee of a public employer except any person (a) elected by popular vote, or (b) appointed to office pursuant to statute, ordinance or resolution for a specified term of office as a member of a multimember board, commission, or committee, whether appointed by the executive head or body of the public employer, or (c) whose duties as deputy, administrative assistant or secretary necessarily imply a confidential relationship to (i) the executive head or body of the applicable bargaining unit, or (ii) any person elected by popular vote, or (iii) any person appointed to office pursuant to statute, ordinance or resolution for a specified term of office as a member of a multimember board, commission, or committee, whether appointed by the executive head or body of the public employer, or (d) who is a court commissioner or a court magistrate of superior court, district court, or a department of a district court organized under chapter 3.46 RCW, or (e) who is a personal assistant to a district court judge, superior court judge, or court commissioner. For the purpose of (e) of this subsection, no more than one assistant for each judge or commissioner may be excluded from a bargaining unit.

(12) "Public employer" means any officer, board, commission, council, or other person or body acting on behalf of any public body governed by this chapter, or any subdivision of such public body. For the purposes of this section, the public employer of district court or superior court employees for wage-related matters is the respective county legislative authority, or person or body acting on behalf of the legislative authority, and the public employer for nonwage-related matters is the judge or judge's designee of the respective district court or superior court.

(13) "Uniformed personnel" means: (a) Law enforcement officers as defined in RCW 41.26.030 employed by the governing body of any city or town with a population of two thousand five hundred or more and law enforcement officers employed by the governing body of any county with a population of ten thousand or more; (b) correctional employees who are uniformed and nonuniformed, commissioned and noncommissioned security personnel employed in a jail as defined in RCW 70.48.020(9), by a county with a population of seventy thousand or more, and who are trained for and charged with the responsibility of controlling and maintaining custody of inmates in the jail and safeguarding inmates from other inmates; (c) general authority Washington peace officers as defined in RCW 10.93.020 employed by a port

district in a county with a population of one million or more; (d) security forces established under RCW 43.52.520; (e) firefighters as that term is defined in RCW 41.26.030; (f) employees of a port district in a county with a population of one million or more whose duties include crash fire rescue or other firefighting duties; (g) employees of fire departments of public employers who dispatch exclusively either fire or emergency medical services, or both; (h) employees in the several classes of advanced life support technicians, as defined in RCW 18.71.200, who are employed by a public employer; or (i) court marshals of any county who are employed by, trained for, and commissioned by the county sheriff and charged with the responsibility of enforcing laws, protecting and maintaining security in all county-owned or contracted property, and performing any other duties assigned to them by the county sheriff or mandated by judicial order.

Sec. 6. RCW 41.56.030 and 2017 3rd sp.s. c 6 s 808 are each amended to read as follows:

As used in this chapter:

(1) "Adult family home provider" means a provider as defined in RCW 70.128.010 who receives payments from the medicaid and state-funded long-term care programs.

(2) "Bargaining representative" means any lawful organization which has as one of its primary purposes the representation of employees in their employment relations with employers.

(3) "Child care subsidy" means a payment from the state through a child care subsidy program established pursuant to RCW 74.12.340 (~~(or 74.08A.340)~~), 45 C.F.R. Sec. 98.1 through 98.17, or any successor program.

(4) "Collective bargaining" means the performance of the mutual obligations of the public employer and the exclusive bargaining representative to meet at reasonable times, to confer and negotiate in good faith, and to execute a written agreement with respect to grievance procedures and collective negotiations on personnel matters, including wages, hours and working conditions, which may be peculiar to an appropriate bargaining unit of such public employer, except that by such obligation neither party shall be compelled to agree to a proposal or be required to make a concession unless otherwise provided in this chapter.

(5) "Commission" means the public employment relations commission.

(6) "Executive director" means the executive director of the commission.

(7) "Family child care provider" means a person who: (a) Provides regularly scheduled care for a child or children in the home of the provider or in the home of the child or children for periods of less than twenty-four hours or, if necessary due to the nature of the parent's work, for periods equal to or greater than twenty-four hours; (b) receives child care subsidies; and (c) under chapter 43.216 RCW, is either licensed by the state or is exempt from licensing.

(8) "Individual provider" means an individual provider as defined in RCW 74.39A.240(~~(4)~~) (3) who, solely for the purposes of collective bargaining, is a public employee as provided in RCW 74.39A.270.

(9) "Institution of higher education" means the University of Washington, Washington State University, Central Washington University, Eastern Washington University, Western Washington University, The Evergreen State College, and the various state community colleges.

(10)(a) "Language access provider" means any independent contractor who provides spoken language interpreter services (~~for department of social and health services appointments or medicaid enrollee appointments, or department of children, youth, and families appointments, or provided these services on or after January 1, 2009, and before June 10, 2010~~), whether paid by a broker, language access agency, or the respective department:

(i) For department of social and health services appointments, department of children, youth, and families appointments, medicaid enrollee appointments, or who provided these services on or after January 1, 2011, and before June 10, 2012;

(ii) For department of labor and industries authorized medical and vocational providers, or who provided these services on or after January 1, 2016, and before the effective date of this section; or

(iii) For state agencies, or who provided these services on or after January 1, 2016, and before the effective date of this section.

(b) "Language access provider" does not mean (~~an owner,~~) a manager(~~;~~) or employee of a broker or a language access agency.

(11) "Public employee" means any employee of a public employer except any person (a) elected by popular vote, or (b) appointed to office pursuant to statute, ordinance or resolution for a specified term of office as a member of a multimember board, commission, or committee, whether appointed by the executive head or body of the public employer, or (c) whose duties as deputy, administrative assistant or secretary necessarily imply a confidential relationship to (i) the executive head or body of the applicable bargaining unit, or (ii) any person elected by popular vote, or (iii) any person appointed to office pursuant to statute, ordinance or resolution for a specified term of office as a member of a multimember board, commission, or committee, whether appointed by the executive head or body of the public employer, or (d) who is a court commissioner or a court magistrate of superior court, district court, or a department of a district court organized under chapter 3.46 RCW, or (e) who is a personal assistant to a district court judge, superior court judge, or court commissioner. For the purpose of (e) of this subsection, no more than one assistant for each judge or commissioner may be excluded from a bargaining unit.

(12) "Public employer" means any officer, board, commission, council, or other person or body acting on behalf of any public body governed by this chapter, or any subdivision of such public body. For the purposes of this section, the public employer of district court or superior court employees for wage-related matters is the respective county legislative authority, or person or body acting on behalf of the legislative authority, and the public employer for nonwage-related matters is the judge or judge's designee of the respective district court or superior court.

(13) "Uniformed personnel" means: (a) Law enforcement officers as defined in RCW 41.26.030 employed by the governing body of any city or town with a population of two thousand five hundred or more and law enforcement officers employed by the governing body of any county with a population of ten thousand or more; (b) correctional employees who are uniformed and nonuniformed, commissioned and noncommissioned security personnel employed in a jail as defined in RCW 70.48.020(9), by a county with a

population of seventy thousand or more, and who are trained for and charged with the responsibility of controlling and maintaining custody of inmates in the jail and safeguarding inmates from other inmates; (c) general authority Washington peace officers as defined in RCW 10.93.020 employed by a port district in a county with a population of one million or more; (d) security forces established under RCW 43.52.520; (e) firefighters as that term is defined in RCW 41.26.030; (f) employees of a port district in a county with a population of one million or more whose duties include crash fire rescue or other firefighting duties; (g) employees of fire departments of public employers who dispatch exclusively either fire or emergency medical services, or both; (h) employees in the several classes of advanced life support technicians, as defined in RCW 18.71.200, who are employed by a public employer; or (i) court marshals of any county who are employed by, trained for, and commissioned by the county sheriff and charged with the responsibility of enforcing laws, protecting and maintaining security in all county-owned or contracted property, and performing any other duties assigned to them by the county sheriff or mandated by judicial order.

Sec. 7. RCW 41.56.510 and 2010 c 296 s 2 are each amended to read as follows:

(1) In addition to the entities listed in RCW 41.56.020, this chapter applies to the governor with respect to language access providers. Solely for the purposes of collective bargaining and as expressly limited under subsections (2) and (3) of this section, the governor is the public employer of language access providers who, solely for the purposes of collective bargaining, are public employees. The governor or the governor's designee shall represent the public employer for bargaining purposes.

(2) There shall be collective bargaining, as defined in RCW 41.56.030, between the governor and language access providers, except as follows:

(a) ~~((A statewide unit of all language access providers is))~~ The only units appropriate for purposes of collective bargaining under RCW 41.56.060 are:

(i) A statewide unit for language access providers who provide spoken language interpreter services for department of social and health services appointments, department of children, youth, and families appointments, or medicaid enrollee appointments;

(ii) A statewide unit for language access providers who provide spoken language interpreter services for injured workers or crime victims receiving benefits from the department of labor and industries; and

(iii) A statewide unit for language access providers who provide spoken language interpreter services for any state agency through the department of enterprise services, excluding language access providers included in (a)(i) and (ii) of this subsection;

(b) The exclusive bargaining representative of language access providers in the unit specified in (a) of this subsection shall be the representative chosen in an election conducted pursuant to RCW 41.56.070.

Bargaining authorization cards furnished as the showing of interest in support of any representation petition or motion for intervention filed under this section are exempt from disclosure under chapter 42.56 RCW;

(c) Notwithstanding the definition of "collective bargaining" in RCW 41.56.030(4), the scope of collective bargaining for language access providers

under this section is limited solely to: (i) Economic compensation, such as the manner and rate of payments; (ii) professional development and training; (iii) labor-management committees; and (iv) grievance procedures. Retirement benefits are not subject to collective bargaining. By such obligation neither party may be compelled to agree to a proposal or be required to make a concession unless otherwise provided in this chapter;

(d) In addition to the entities listed in the mediation and interest arbitration provisions of RCW 41.56.430 through 41.56.470 and 41.56.480, the provisions apply to the governor or the governor's designee and the exclusive bargaining representative of language access providers, except that:

(i) In addition to the factors to be taken into consideration by an interest arbitration panel under RCW 41.56.465, the panel shall consider the financial ability of the state to pay for the compensation and benefit provisions of a collective bargaining agreement;

(ii) The decision of the arbitration panel is not binding on the legislature and, if the legislature does not approve the request for funds necessary to implement the compensation and benefit provisions of the arbitrated collective bargaining agreement, the decision is not binding on the state;

(e) Language access providers do not have the right to strike;

(f) If a single employee organization is the exclusive bargaining representative for two or more units, upon petition by the employee organization, the units may be consolidated into a single larger unit if the commission considers the larger unit to be appropriate. If consolidation is appropriate, the commission shall certify the employee organization as the exclusive bargaining representative of the new unit;

(g) If a single employee organization is the exclusive bargaining representative for two or more bargaining units, the governor and the employee organization may agree to negotiate a single collective bargaining agreement for all of the bargaining units that the employee organization represents.

(3) Language access providers who are public employees solely for the purposes of collective bargaining under subsection (1) of this section are not, for that reason, employees of the state for any other purpose. This section applies only to the governance of the collective bargaining relationship between the employer and language access providers as provided in subsections (1) and (2) of this section.

(4) Each party with whom the department of social and health services, the department of labor and industries, and the department of enterprise services contracts for language access services and each of their subcontractors shall provide to the respective department an accurate list of language access providers, as defined in RCW 41.56.030, including their names, addresses, and other contact information, annually by January 30th, except that initially the lists must be provided within thirty days of ((June 10, 2010)) the effective date of this section. The department shall, upon request, provide a list of all language access providers, including their names, addresses, and other contact information, to a labor union seeking to represent language access providers.

(5) This section does not create or modify:

(a) The ((department's)) obligation of any state agency to comply with ((the)) federal statute and regulations; and

(b) The legislature's right to make programmatic modifications to the delivery of state services under chapter 74.04 or 39.26 RCW or Title 51 RCW. The governor may not enter into, extend, or renew any agreement under this chapter that does not expressly reserve the legislative rights described in this subsection.

(6) Upon meeting the requirements of subsection (7) of this section, the governor must submit, as a part of the proposed biennial or supplemental operating budget submitted to the legislature under RCW 43.88.030, a request for funds necessary to implement the compensation and benefit provisions of a collective bargaining agreement entered into under this section or for legislation necessary to implement the agreement.

(7) A request for funds necessary to implement the compensation and benefit provisions of a collective bargaining agreement entered into under this section may not be submitted by the governor to the legislature unless the request has been:

(a) Submitted to the director of financial management by October 1st prior to the legislative session at which the requests are to be considered, except that, for initial negotiations under this section, the request may not be submitted before July 1, 2011; and

(b) Certified by the director of financial management as financially feasible for the state or reflective of a binding decision of an arbitration panel reached under subsection (2)(d) of this section.

(8) The legislature must approve or reject the submission of the request for funds as a whole. If the legislature rejects or fails to act on the submission, any collective bargaining agreement must be reopened for the sole purpose of renegotiating the funds necessary to implement the agreement.

(9) If, after the compensation and benefit provisions of an agreement are approved by the legislature, a significant revenue shortfall occurs resulting in reduced appropriations, as declared by proclamation of the governor or by resolution of the legislature, both parties shall immediately enter into collective bargaining for a mutually agreed upon modification of the agreement.

(10) After the expiration date of any collective bargaining agreement entered into under this section, all of the terms and conditions specified in the agreement remain in effect until the effective date of a subsequent agreement, not to exceed one year from the expiration date stated in the agreement.

(11) In enacting this section, the legislature intends to provide state action immunity under federal and state antitrust laws for the joint activities of language access providers and their exclusive bargaining representative to the extent the activities are authorized by this chapter.

Sec. 8. RCW 41.56.510 and 2017 3rd sp.s. c 6 s 809 are each amended to read as follows:

(1) In addition to the entities listed in RCW 41.56.020, this chapter applies to the governor with respect to language access providers. Solely for the purposes of collective bargaining and as expressly limited under subsections (2) and (3) of this section, the governor is the public employer of language access providers who, solely for the purposes of collective bargaining, are public employees. The governor or the governor's designee shall represent the public employer for bargaining purposes.

(2) There shall be collective bargaining, as defined in RCW 41.56.030, between the governor and language access providers, except as follows:

(a) ~~((A statewide unit of all language access providers is))~~ The only units appropriate for purposes of collective bargaining under RCW 41.56.060 are:

(i) A statewide unit for language access providers who provide spoken language interpreter services for department of social and health services appointments, department of children, youth, and families appointments, or medicaid enrollee appointments;

(ii) A statewide unit for language access providers who provide spoken language interpreter services for injured workers or crime victims receiving benefits from the department of labor and industries; and

(iii) A statewide unit for language access providers who provide spoken language interpreter services for any state agency through the department of enterprise services, excluding language access providers included in (a)(i) and (ii) of this subsection;

(b) The exclusive bargaining representative of language access providers in the unit specified in (a) of this subsection shall be the representative chosen in an election conducted pursuant to RCW 41.56.070.

Bargaining authorization cards furnished as the showing of interest in support of any representation petition or motion for intervention filed under this section are exempt from disclosure under chapter 42.56 RCW;

(c) Notwithstanding the definition of "collective bargaining" in RCW 41.56.030(4), the scope of collective bargaining for language access providers under this section is limited solely to: (i) Economic compensation, such as the manner and rate of payments; (ii) professional development and training; (iii) labor-management committees; and (iv) grievance procedures. Retirement benefits are not subject to collective bargaining. By such obligation neither party may be compelled to agree to a proposal or be required to make a concession unless otherwise provided in this chapter;

(d) In addition to the entities listed in the mediation and interest arbitration provisions of RCW 41.56.430 through 41.56.470 and 41.56.480, the provisions apply to the governor or the governor's designee and the exclusive bargaining representative of language access providers, except that:

(i) In addition to the factors to be taken into consideration by an interest arbitration panel under RCW 41.56.465, the panel shall consider the financial ability of the state to pay for the compensation and benefit provisions of a collective bargaining agreement;

(ii) The decision of the arbitration panel is not binding on the legislature and, if the legislature does not approve the request for funds necessary to implement the compensation and benefit provisions of the arbitrated collective bargaining agreement, the decision is not binding on the state;

(e) Language access providers do not have the right to strike;

(f) If a single employee organization is the exclusive bargaining representative for two or more units, upon petition by the employee organization, the units may be consolidated into a single larger unit if the commission considers the larger unit to be appropriate. If consolidation is appropriate, the commission shall certify the employee organization as the exclusive bargaining representative of the new unit;

(g) If a single employee organization is the exclusive bargaining representative for two or more bargaining units, the governor and the employee organization may agree to negotiate a single collective bargaining agreement for all of the bargaining units that the employee organization represents.

(3) Language access providers who are public employees solely for the purposes of collective bargaining under subsection (1) of this section are not, for that reason, employees of the state for any other purpose. This section applies only to the governance of the collective bargaining relationship between the employer and language access providers as provided in subsections (1) and (2) of this section.

(4) Each party with whom the department of social and health services ~~((the))~~, the department of children, youth, and families, the department of labor and industries, and the department of enterprise services contracts for language access services and each of their subcontractors shall provide to the respective department an accurate list of language access providers, as defined in RCW 41.56.030, including their names, addresses, and other contact information, annually by January 30th, except that initially the lists must be provided within thirty days of ~~((June 10, 2010))~~ the effective date of this section. The department shall, upon request, provide a list of all language access providers, including their names, addresses, and other contact information, to a labor union seeking to represent language access providers.

(5) This section does not create or modify:

(a) The ~~((department's))~~ obligation of any state agency to comply with ~~((the))~~ federal statute and regulations; and

(b) The legislature's right to make programmatic modifications to the delivery of state services under chapter 74.04 or 39.26 RCW or Title 51 RCW. The governor may not enter into, extend, or renew any agreement under this chapter that does not expressly reserve the legislative rights described in this subsection.

(6) Upon meeting the requirements of subsection (7) of this section, the governor must submit, as a part of the proposed biennial or supplemental operating budget submitted to the legislature under RCW 43.88.030, a request for funds necessary to implement the compensation and benefit provisions of a collective bargaining agreement entered into under this section or for legislation necessary to implement the agreement.

(7) A request for funds necessary to implement the compensation and benefit provisions of a collective bargaining agreement entered into under this section may not be submitted by the governor to the legislature unless the request has been:

(a) Submitted to the director of financial management by October 1st prior to the legislative session at which the requests are to be considered, except that, for initial negotiations under this section, the request may not be submitted before July 1, 2011; and

(b) Certified by the director of financial management as financially feasible for the state or reflective of a binding decision of an arbitration panel reached under subsection (2)(d) of this section.

(8) The legislature must approve or reject the submission of the request for funds as a whole. If the legislature rejects or fails to act on the submission, any

collective bargaining agreement must be reopened for the sole purpose of renegotiating the funds necessary to implement the agreement.

(9) If, after the compensation and benefit provisions of an agreement are approved by the legislature, a significant revenue shortfall occurs resulting in reduced appropriations, as declared by proclamation of the governor or by resolution of the legislature, both parties shall immediately enter into collective bargaining for a mutually agreed upon modification of the agreement.

(10) After the expiration date of any collective bargaining agreement entered into under this section, all of the terms and conditions specified in the agreement remain in effect until the effective date of a subsequent agreement, not to exceed one year from the expiration date stated in the agreement.

(11) In enacting this section, the legislature intends to provide state action immunity under federal and state antitrust laws for the joint activities of language access providers and their exclusive bargaining representative to the extent the activities are authorized by this chapter.

NEW SECTION. Sec. 9. If any part of this act is found to be in conflict with federal requirements that are a prescribed condition to the allocation of federal funds to the state, the conflicting part of this act is inoperative solely to the extent of the conflict and with respect to the agencies directly affected, and this finding does not affect the operation of the remainder of this act in its application to the agencies concerned. Rules adopted under this act must meet federal requirements that are a necessary condition to the receipt of federal funds by the state. Nothing in this act may restrict an agency's ability to serve limited English proficient clients in a timely manner.

NEW SECTION. Sec. 10. Sections 5 and 7 of this act expire July 1, 2018.

NEW SECTION. Sec. 11. Sections 6 and 8 of this act take effect July 1, 2018.

Passed by the Senate March 6, 2018.

Passed by the House March 1, 2018.

Approved by the Governor March 23, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 254

[Engrossed Second Substitute House Bill 2177]

RURAL COUNTY HIGH EMPLOYER DEMAND JOBS PROGRAM

AN ACT Relating to creating the rural county high employer demand jobs program; amending RCW 28B.145.020, 28B.145.090, 28B.145.070, and 28B.145.010; adding new sections to chapter 28B.145 RCW; and creating a new section.

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

NEW SECTION. Sec. 1. (1) The legislature recognizes that:

(a) According to research from Georgetown University, by the year 2020, seventy percent of jobs in Washington state will require at least some education and training beyond high school, which aligns with Washington's educational attainment goals established under RCW 28B.77.020; and

(b) Research by the state board for community and technical colleges and other entities has found that attending college for at least one year and earning a

credential results in a substantial boost in earnings for adults who enter a community college with a high school diploma or less.

(2) In addition, the legislature finds that:

(a) Rural counties face unique challenges to achieving full economic and community development in the face of societal trends that concentrate job and population growth in larger metropolitan areas. For example, seventy-five percent of the job growth in Washington by 2018 is projected to be confined to just five large counties. In addition, two-thirds of the state's recent population growth has occurred in the three largest counties and seven counties have actually lost population in recent years.

(b) One barrier to economic growth and investment in many rural counties is the lack of a trained, qualified workforce for the opportunities present in rural areas, particularly in science, technology, engineering, and mathematics (STEM) and health care fields of study. These opportunities often require specialized skills tailored for specific, regional employer needs. In many cases, employment opportunities are available in rural communities; however, some assistance is needed to help local residents acquire the skills necessary to access the opportunities in their own backyards.

(3) The legislature declares that opportunity, community vitality, quality of life, and prosperity are essential for all Washington communities. Therefore, the legislature intends to create a program to assist rural communities in growing the workforce the community needs to meet its specific industry sector demands.

Sec. 2. RCW 28B.145.020 and 2014 c 208 s 2 are each amended to read as follows:

(1) The opportunity scholarship board is created. The board consists of eleven members:

(a) Six members appointed by the governor. For three of the 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) Five foundation or business and industry representatives appointed by the governor from among the state's most productive industries such as aerospace, manufacturing, health 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 board shall elect one of the business and industry representatives to serve as chair.

(4) 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 board shall be staffed by the program administrator.

(6) The purpose of the board is to provide oversight and guidance for the opportunity expansion ~~((and))~~, the opportunity scholarship programs, and the rural jobs program, 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 and rural jobs program. Duties, exercised jointly with the program administrator, include soliciting funds and setting annual fund-raising goals.

(7) The 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.145.090 and 2014 c 208 s 4 are each amended to read as follows:

(1) The board may elect to have the state investment board invest the funds in the student support pathways account and 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))~~ three 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 student support pathways account, scholarship account, and endowment ~~((accounts))~~ account 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 student support pathways account, 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 student support pathways account, 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.

NEW SECTION. Sec. 4. A new section is added to chapter 28B.145 RCW to read as follows:

(1)(a) The rural county high employer demand jobs program is created to meet the workforce needs of business and industry in rural counties by assisting students in earning certificates, associate degrees, or other industry-recognized credentials necessary for employment in high employer demand fields.

(b) Subject to the requirements of this section, the rural jobs program provides selected students scholarship funds and support services, as determined by the board, to help students meet their eligible expenses when they enroll in a community or technical college program that prepares them for high employer demand fields.

(c) The source of funds for the rural jobs program shall be a combination of private donations, grants, and contributions and state matching funds.

(2) The program administrator has the duties and responsibilities provided under this section, including but not limited to:

(a) Publicizing the rural jobs program and conducting outreach to eligible counties;

(b) In consultation with the state board for community and technical colleges, any interested community or technical college located in an eligible county, and the county's workforce development council, identify high employer demand fields within the eligible counties. When identifying high employer demand fields, the board must consider:

(i) County-specific employer demand reports issued by the employment security department or the list of statewide high-demand programs for secondary career and technical education established under RCW 28A.700.020; and

(ii) The ability and capacity of the community and technical college to meet the needs of qualifying students and industry in the eligible county;

(c) Develop and implement an application, selection, and notification process for awarding rural jobs program scholarship funds. In making determinations on scholarship recipients, the board shall use county-specific employer high-demand data;

(d) Determine the annual scholarship fund amounts to be awarded to selected students;

(e) Distribute funds to selected students;

(f) Notify institutions of higher education of the rural jobs program recipients who will attend their institutions of higher education and inform them of the scholarship fund amounts and terms of the awards; and

(g) Establish and manage an account as provided under section 5 of this act to receive donations, grants, contributions from private sources, and state matching funds, and from which to disburse scholarship funds to selected students.

(3) To be eligible for scholarship funds under the rural jobs program, a student must:

(a) Be a resident of an eligible county or have attended and graduated from a school in an eligible school district;

(b) Be a resident student as defined in RCW 28B.15.012;

(c) Be enrolled in a community or technical college established under chapter 28B.50 RCW located in an eligible county;

(d) Be in a certificate, degree, or other industry-recognized credential or training program that has been identified by the board as a program that prepares students for a high employer demand field;

(e) Have a family income that does not exceed seventy percent of the state median family income adjusted for family size; and

(f) Demonstrate financial need according to the free application for federal student aid or the Washington application for state financial aid.

(4) To remain eligible for scholarship funds under the rural jobs program, the student must maintain a cumulative grade point average of 2.0.

(5) A scholarship award under the rural jobs program may not result in a reduction of any gift aid. Nothing in this section creates any right or entitlement.

NEW SECTION. Sec. 5. A new section is added to chapter 28B.145 RCW to read as follows:

(1) For the purposes of the rural jobs program, the program administrator shall:

(a) Jointly with the board, solicit and accept donations, grants, and contributions from private sources via direct payment, pledge agreement, or escrow account, for deposit into the student support pathways account created in this section, and set annual fund-raising goals;

(b) Establish and manage the student support pathways account to receive grants, contributions from private sources, and state matching funds, and from which to disburse scholarship funds to selected students; and

(c) Provide proof of receipt of grants and contributions from private sources to the council, identifying the amounts received by the name of the private source and date received, and whether the amounts received were deposited into the student support pathways account.

(2) The student support pathways account, whose principal may be invaded, must be created by the board from which scholarship funds will be disbursed beginning no later than the fall term of the 2020 academic year, if by that date, state matching funds have been received. Thereafter, scholarship funds shall be disbursed on an annual basis.

NEW SECTION. Sec. 6. A new section is added to chapter 28B.145 RCW to read as follows:

(1) The rural jobs program match transfer account is created in the custody of the state treasurer as a nonappropriated account to be used solely and exclusively for the rural jobs program created in section 4 of this act. The purpose of the rural jobs program match transfer account is to provide state matching funds for the rural jobs program.

(2) Revenues to the rural jobs program match transfer account shall consist of appropriations by the legislature into the rural jobs program match transfer account.

(3) No expenditures from the rural jobs program match transfer account may be made except upon receipt of proof, by the executive director of the council from the program administrator, of private contributions to the rural jobs program. Expenditures, in the form of matching funds, may not exceed the total amount of private contributions.

(4) Only the executive director of the council or the executive director's designee may authorize expenditures from the rural jobs program match transfer account. Such authorization must be made as soon as practicable following receipt of proof as required under this section.

(5)(a) The council shall enter into an appropriate agreement with the program administrator to demonstrate exchange of consideration for the matching funds.

(b) Once moneys in the rural jobs program match transfer account are subject to an agreement under this subsection and are deposited in the student support pathways account, the state acts in a fiduciary rather than ownership capacity with regard to those assets. Assets in the student support pathways account are not considered state money, common cash, or revenue to the state.

(6) The state match must not exceed one million dollars in a single fiscal biennium and must be based on donations and pledges received by the rural jobs program as of the date each official state caseload forecast is submitted by the caseload forecast council to the legislative fiscal committees, as provided under RCW 43.88C.020. Nothing in this section expands or modifies the responsibilities of the caseload forecast council.

NEW SECTION. Sec. 7. A new section is added to chapter 28B.145 RCW to read as follows:

The total amount of state matching funds for the rural jobs program shall not exceed one million dollars in a single fiscal biennium.

Sec. 8. RCW 28B.145.070 and 2014 c 208 s 7 are each amended to read as follows:

(1) Annually each December 1st, the board, together with the program administrator, shall report to the council, the governor, and the appropriate committees of the legislature regarding the rural jobs program and opportunity scholarship and opportunity expansion programs, including but not limited to:

(a) Which education programs the board determined were eligible for purposes of the opportunity scholarship and which high employer demand fields within eligible counties were identified for purposes of the rural jobs program;

(b) The number of applicants for the opportunity scholarship and rural jobs program, 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 and rural jobs 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 student support pathways account, the scholarship account, or the endowment account, and the number and amount of scholarships actually awarded under the rural jobs program;

(e) The institutions and eligible education programs in which opportunity scholarship participants enrolled, together with data regarding participants'

completion and graduation, and the institutions and programs in which recipients of the rural jobs program scholarship enrolled, together with recipients' data on completion and graduation;

(f) The total amount of private contributions and state match moneys received for the rural jobs program and the opportunity scholarship program, how the funds under the opportunity scholarship program were distributed between the student support pathways account, the scholarship account, and the endowment account((s)), the interest or other earnings on all the accounts created under this chapter, and the amount of any administrative fee paid to the program administrator; and

(g) Identification of the programs the 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 rural jobs program, 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.

Sec. 9. RCW 28B.145.010 and 2014 c 208 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) "Board" means the opportunity scholarship board.

(2) "Council" means the student achievement council.

(3) "Eligible county" has the same meaning as "rural county" as defined in RCW 82.14.370 and also includes any county that shares a common border with Canada and has a population of over one hundred twenty-five thousand.

(4) "Eligible education programs" means high employer demand and other programs of study as determined by the board.

~~((4))~~ (5) "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 council and the state board for community and technical colleges.

~~((5))~~ (6) "Eligible school district" means a school district of the second class as identified in RCW 28A.300.065(2).

(7) "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.

~~((6))~~ (8) "Gift aid" means financial aid received from the federal Pell grant, the state need grant program in chapter 28B.92 RCW, the college bound scholarship program in chapter 28B.118 RCW, the opportunity grant program in chapter 28B.50 RCW, the opportunity scholarship program in this chapter, or any other state grant, scholarship, or worker retraining program that provides funds for educational purposes with no obligation of repayment. "Gift aid" does not include student loans, work-study programs, the basic food employment and training program administered by the department of social and health services, or other employment assistance programs that provide job readiness opportunities and support beyond the costs of tuition, books, and fees.

(9) "High employer demand program of study" has the same meaning as provided in RCW 28B.50.030.

~~((7))~~ (10) "Participant" means an eligible student who has received a scholarship under the opportunity scholarship program.

~~((8))~~ (11) "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.

~~((9))~~ (12) "Resident student" has the same meaning as provided in RCW 28B.15.012.

(13) "Rural jobs program" means the rural county high employer demand jobs program created in this chapter.

Passed by the House March 5, 2018.

Passed by the Senate March 2, 2018.

Approved by the Governor March 23, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 255

[Engrossed Substitute House Bill 2285]

MARBLED MURRELET HABITAT INFORMATION--REPORT

AN ACT Relating to establishing a reporting process for the department of natural resources regarding certain marbled murrelet habitat information; adding new sections to chapter 43.30 RCW; creating a new section; and providing a contingent expiration date.

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

NEW SECTION. Sec. 1. (1) The legislature finds that the 1997 state trust lands habitat conservation plan and the proposed amendment related to the conservation of the marbled murrelet, which provide certainty for beneficiaries of affected state lands and state forestlands, present an important and ongoing issue for the people of the state of Washington. The legislature further finds that complying with the endangered species act is a necessary aspect of managing state trust lands. The lands that are the subject of the 1997 habitat conservation plan are held by the state in trust for the trust beneficiaries, and the proposed

amendment to the 1997 state trust lands habitat conservation plan presents an opportunity for the legislature to engage in its role as a fiduciary of those lands.

(2) The legislature intends that the process set forth in this act will serve as a model for future processes in the event that there are any subsequent amendments to the 1997 state trust lands habitat conservation plan beyond those envisioned in this act.

NEW SECTION. Sec. 2. A new section is added to chapter 43.30 RCW under the subchapter heading "powers and duties--general" to read as follows:

(1)(a) By December 1, 2018, and each December 1st until the year after the United States fish and wildlife service issues an incidental take permit on the state trust land habitat conservation plan for the long-term conservation strategy for the marbled murrelet, the department must provide a report to the legislature, consistent with RCW 43.01.036, as required in this section.

(b) No fewer than ninety days before submitting the report to the legislature as described in this section, the department must first submit a draft of the report for review and comment to the chair and ranking member of the committees of the house of representatives and senate with jurisdiction over state trust lands management.

(c) Each regular legislative session, the standing committee with jurisdiction over state trust land management from the house of representatives and senate must each hold a meeting, which may be held as a joint meeting, on the report required in this section and the habitat conservation plan update process.

(2) The report required in this section must annually include an economic analysis of potential losses or gains from any proposed marbled murrelet long-term conservation strategy selected by the board of natural resources, forwarded to or approved by the United States fish and wildlife service, and subsequently adopted by the board.

(3) The initial report required under this section must also include recommendations relating to the following, to be updated as appropriate in subsequent reports:

(a) Actions that support maintaining or increasing family-wage timber and related jobs in the affected rural communities, taking into account, as appropriate, the role of other market factors;

(b) Strategies to ensure no net loss of revenues to the trust beneficiaries due to the implementation of additional marbled murrelet conservation measures;

(c) Additional means of financing county services; and

(d) Additional reasonable, incentive-based, nonregulatory conservation measures for the marbled murrelet that also provide economic benefits to rural communities.

NEW SECTION. Sec. 3. A new section is added to chapter 43.30 RCW under the subchapter heading "powers and duties--general" to read as follows:

(1) To assist the department in developing and providing the report to the legislature required in section 2 of this act, the commissioner must appoint a marbled murrelet advisory committee.

(2) The marbled murrelet advisory committee may include one or more representatives from the following categories:

(a) State trust lands beneficiaries;

(b) Impacted state forestlands beneficiaries, including counties;

- (c) Junior taxing districts;
 - (d) Environmental organizations;
 - (e) Local governments or an association representing local governments;
 - (f) Milling interests or an association representing milling interests;
 - (g) Private forest landowners or a statewide association representing private forest landowners; and
 - (h) Local public interest groups.
- (3) The advisory committee required under this section may consult with relevant state and federal agencies and tribes.

NEW SECTION. Sec. 4. (1) Sections 2 and 3 of this act expire at the end of the calendar year following the issuance by the United States fish and wildlife service of an incidental take permit on the long-term conservation strategy for the marbled murrelet under the state trust lands habitat conservation plan and subsequent adoption by the board of natural resources.

(2) The department of natural resources must notify the chief clerk of the house of representatives, the secretary of the senate, and the office of the code reviser when the conditional expiration date of sections 1 and 2 of this act is satisfied.

Passed by the House March 6, 2018.

Passed by the Senate March 2, 2018.

Approved by the Governor March 23, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 256

[Senate Bill 6163]

COLLABORATIVE FOR THE ADVANCEMENT OF TELEMEDICINE--EXTENSION

AN ACT Relating to extending the duration of the collaborative for the advancement of telemedicine; and amending 2016 c 68 s 2 (uncodified).

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

Sec. 1. 2016 c 68 s 2 (uncodified) is amended to read as follows:

(1) The collaborative for the advancement of telemedicine is created to enhance the understanding and use of health services provided through telemedicine and other similar models in Washington state. The collaborative shall be hosted by the University of Washington telehealth services and shall be comprised of one member from each of the two largest caucuses of the senate and the house of representatives, and representatives from the academic community, hospitals, clinics, and health care providers in primary care and specialty practices, carriers, and other interested parties.

(2) By July 1, 2016, the collaborative shall be convened. The collaborative shall develop recommendations on improving reimbursement and access to services, including originating site restrictions, provider to provider consultative models, and technologies and models of care not currently reimbursed; identify the existence of telemedicine best practices, guidelines, billing requirements, and fraud prevention developed by recognized medical and telemedicine organizations; and explore other priorities identified by members of the collaborative. After review of existing resources, the collaborative shall explore and make recommendations on whether to create a technical assistance center to

support providers in implementing or expanding services delivered through telemedicine technologies.

(3) The collaborative must submit an initial progress report by December 1, 2016, with follow-up policy reports including recommendations by December 1, 2017, ~~((and))~~ December 1, 2018, and December 1, 2021. The reports shall be shared with the relevant professional associations, governing boards or commissions, and the health care committees of the legislature.

(4) The meetings of the board shall be open public meetings, with meeting summaries available on a web page.

(5) The future of the collaborative shall be reviewed by the legislature with consideration of ongoing technical assistance needs and opportunities. The collaborative terminates December 31, ~~((2018))~~ 2021.

Passed by the Senate March 6, 2018.

Passed by the House February 27, 2018.

Approved by the Governor March 23, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 257

[Senate Bill 6210]

TRIBAL COMPACT SCHOOLS--STATE RETIREMENT SYSTEMS

AN ACT Relating to the terms under which tribal schools may participate in the state retirement systems as part of a state-tribal education compact; amending RCW 28A.715.010, 41.32.010, and 41.35.01; and creating a new section.

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

Sec. 1. RCW 28A.715.010 and 2013 c 242 s 2 are each amended to read as follows:

(1) The superintendent of public instruction is authorized to enter into state-tribal education compacts.

(2) No later than six months after July 28, 2013, the superintendent of public instruction shall establish an application and approval process, procedures, and timelines for the negotiation, approval or disapproval, and execution of state-tribal education compacts.

(3) The process may be initiated by submission, to the superintendent of public instruction, of a resolution by:

(a) The governing body of a tribe in the state of Washington; or

(b) The governing body of any of the schools in Washington that are currently funded by the federal bureau of Indian affairs, whether directly or through a contract or compact with an Indian tribe or a tribal consortium.

(4) The resolution must be accompanied by an application that indicates the grade or grades from kindergarten through twelve that will be offered and that demonstrates that the school will be operated in compliance with all applicable laws, the rules adopted thereunder, and the terms and conditions set forth in the application.

(5) Within ninety days of receipt of a resolution and application under this section, the superintendent must convene a government-to-government meeting for the purpose of considering the resolution and application and initiating negotiations.

- (6) State-tribal education compacts must include provisions regarding:
- (a) Compliance;
 - (b) Notices of violation;
 - (c) Dispute resolution, which may include nonjudicial processes such as mediation;
 - (d) Recordkeeping and auditing;
 - (e) The delineation of the respective roles and responsibilities;
 - (f) The term or length of the contract, and whether or not it is renewable;
- and
- (g) Provisions for compact termination.

(7) If a tribal school chooses to participate in the teachers' retirement system, the school employees' retirement system, or both, the state-tribal education compact must also include the following:

(a) Acknowledgment by the tribal school that it affirmatively chooses to participate in the teachers' retirement system, the school employees' retirement system, or both;

(b) Evidence that the person or persons who sign the compact on behalf of a tribe, dependent Indian community, or subdivision thereof have authority under tribal or community law to bind the tribe or dependent Indian community to all provisions in the compact, including any waiver of sovereign immunity;

(c) If the tribal school chooses to participate in the teachers' retirement system:

(i) Agreement by the tribal school that it meets the definition of an employer as defined in chapter 41.32 RCW;

(ii) Agreement by the tribal school to adhere to all reporting, contribution, and auditing requirements as defined in chapter 41.32 RCW, and all rules adopted under authority of RCW 41.50.050(5);

(iii) Agreement between the superintendent of public instruction and the tribal school that for the duration of the compact the school will be a public school for the purposes of retirement plan membership as defined in chapter 41.32 RCW; and

(iv) Agreement by the tribal school that, at the request of the superintendent of public instruction, the tribal school will make available to the superintendent any records the tribal school has provided to the department of retirement systems as required under the reporting, contribution, and auditing requirements defined in chapter 41.32 RCW, and rules implementing that chapter;

(d) If the tribal school chooses to participate in the school employees' retirement system:

(i) Agreement by the tribal school that it meets the definition of an employer as defined in chapter 41.35 RCW;

(ii) Agreement by the tribal school to adhere to all reporting, contribution, and auditing requirements as defined in chapter 41.35 RCW, and all rules adopted under authority of RCW 41.50.050(5); and

(iii) Agreement by the tribal school that, at the request of the superintendent of public instruction, the tribal school will make available to the superintendent any records the tribal school has provided to the department of retirement systems as required under the reporting, contribution, and auditing requirements defined in chapter 41.35 RCW, and rules implementing that chapter;

(e) Agreement by the tribe or, if applicable, the dependent Indian community, to a limited waiver of sovereign immunity and consent to the jurisdiction of the Washington state courts for the purpose of enforcing the reporting, contribution, and auditing requirements defined in chapters 41.32 and 41.35 RCW and all rules adopted under authority of RCW 41.50.050(5);

(f) Agreement by the tribal school to dissolution procedures memorialized in the state-tribal education compact so that all parties are aware of their expectations and duties if the compact terminates or the tribal school chooses to no longer participate in the state retirement systems at a future date;

(g) Acknowledgment by the tribal school that it has been advised that choosing to no longer participate in the retirement systems may result in federal tax implications for the governing body and its employees that are outside the control of the state of Washington, the department of retirement systems, and the superintendent of public instruction, and that the tribal school is encouraged to seek counsel before agreeing to any dissolution procedures in the compact; and

(h) Acknowledgment by both parties that the pension plan participation portions of the state-tribal education compact are null and void if the federal internal revenue service issues guidance stating that any portion of those sections are in conflict with the plan qualification requirements for governmental plans in section 401(a) of the internal revenue code, and the conflict cannot be resolved through administrative action, statutory change, or amendment to the state-tribal education compact.

(8) For tribal schools that opt out of pension plan participation, such schools' employees shall have no right to earn additional service credit in the plan.

(9) The superintendent of public instruction shall adopt such rules as are necessary to implement this chapter.

(10) "Tribal school" for the purposes of this section means any school qualified to participate in a state-tribal education compact under this section.

Sec. 2. RCW 41.32.010 and 2012 c 236 s 3 are each amended to read as follows:

As used in this chapter, unless a different meaning is plainly required by the context:

(1)(a) "Accumulated contributions" for plan 1 members, means the sum of all regular annuity contributions and, except for the purpose of withdrawal at the time of retirement, any amount paid under RCW 41.50.165(2) with regular interest thereon.

(b) "Accumulated contributions" for plan 2 members, means the sum of all contributions standing to the credit of a member in the member's individual account, including any amount paid under RCW 41.50.165(2), together with the regular interest thereon.

(2) "Actuarial equivalent" means a benefit of equal value when computed upon the basis of such mortality tables and regulations as shall be adopted by the director and regular interest.

(3) "Adjustment ratio" means the value of index A divided by index B.

(4) "Annual increase" means, initially, fifty-nine cents per month per year of service which amount shall be increased each July 1st by three percent, rounded to the nearest cent.

(5) "Annuity" means the moneys payable per year during life by reason of accumulated contributions of a member.

(6) "Average final compensation" for plan 2 and plan 3 members, means the member's average earnable compensation of the highest consecutive sixty service credit months prior to such member's retirement, termination, or death. Periods constituting authorized leaves of absence may not be used in the calculation of average final compensation except under RCW 41.32.810(2).

(7)(a) "Beneficiary" for plan 1 members, means any person in receipt of a retirement allowance or other benefit provided by this chapter.

(b) "Beneficiary" for plan 2 and plan 3 members, means any person in receipt of a retirement allowance or other benefit provided by this chapter resulting from service rendered to an employer by another person.

(8) "Contract" means any agreement for service and compensation between a member and an employer.

(9) "Creditable service" means membership service plus prior service for which credit is allowable. This subsection shall apply only to plan 1 members.

(10) "Department" means the department of retirement systems created in chapter 41.50 RCW.

(11) "Dependent" means receiving one-half or more of support from a member.

(12) "Director" means the director of the department.

(13) "Disability allowance" means monthly payments during disability. This subsection shall apply only to plan 1 members.

(14)(a) "Earnable compensation" for plan 1 members, means:

(i) All salaries and wages paid by an employer to an employee member of the retirement system for personal services rendered during a fiscal year. In all cases where compensation includes maintenance the employer shall fix the value of that part of the compensation not paid in money.

(ii) For an employee member of the retirement system teaching in an extended school year program, two consecutive extended school years, as defined by the employer school district, may be used as the annual period for determining earnable compensation in lieu of the two fiscal years.

(iii) "Earnable compensation" for plan 1 members also includes the following actual or imputed payments, which are not paid for personal services:

(A) Retroactive payments to an individual by an employer on reinstatement of the employee in a position, or payments by an employer to an individual in lieu of reinstatement in a position which are awarded or granted as the equivalent of the salary or wages which the individual would have earned during a payroll period shall be considered earnable compensation and the individual shall receive the equivalent service credit.

(B) If a leave of absence, without pay, is taken by a member for the purpose of serving as a member of the state legislature, and such member has served in the legislature five or more years, the salary which would have been received for the position from which the leave of absence was taken shall be considered as compensation earnable if the employee's contribution thereon is paid by the employee. In addition, where a member has been a member of the state legislature for five or more years, earnable compensation for the member's two highest compensated consecutive years of service shall include a sum not to exceed thirty-six hundred dollars for each of such two consecutive years,

regardless of whether or not legislative service was rendered during those two years.

(iv) For members employed less than full time under written contract with a school district, or community college district, in an instructional position, for which the member receives service credit of less than one year in all of the years used to determine the earnable compensation used for computing benefits due under RCW 41.32.497, 41.32.498, and 41.32.520, the member may elect to have earnable compensation defined as provided in RCW 41.32.345. For the purposes of this subsection, the term "instructional position" means a position in which more than seventy-five percent of the member's time is spent as a classroom instructor (including office hours), a librarian, a psychologist, a social worker, a nurse, a physical therapist, an occupational therapist, a speech language pathologist or audiologist, or a counselor. Earnable compensation shall be so defined only for the purpose of the calculation of retirement benefits and only as necessary to insure that members who receive fractional service credit under RCW 41.32.270 receive benefits proportional to those received by members who have received full-time service credit.

(v) "Earnable compensation" does not include:

(A) Remuneration for unused sick leave authorized under RCW 41.04.340, 28A.400.210, or 28A.310.490;

(B) Remuneration for unused annual leave in excess of (~~thirty days~~) two hundred forty hours as authorized by RCW 43.01.044 and 43.01.041.

(b) "Earnable compensation" for plan 2 and plan 3 members, means salaries or wages earned by a member during a payroll period for personal services, including overtime payments, and shall include wages and salaries deferred under provisions established pursuant to sections 403(b), 414(h), and 457 of the United States Internal Revenue Code, but shall exclude lump sum payments for deferred annual sick leave, unused accumulated vacation, unused accumulated annual leave, or any form of severance pay.

"Earnable compensation" for plan 2 and plan 3 members also includes the following actual or imputed payments which, except in the case of (b)(ii)(B) of this subsection, are not paid for personal services:

(i) Retroactive payments to an individual by an employer on reinstatement of the employee in a position or payments by an employer to an individual in lieu of reinstatement in a position which are awarded or granted as the equivalent of the salary or wages which the individual would have earned during a payroll period shall be considered earnable compensation, to the extent provided above, and the individual shall receive the equivalent service credit.

(ii) In any year in which a member serves in the legislature the member shall have the option of having such member's earnable compensation be the greater of:

(A) The earnable compensation the member would have received had such member not served in the legislature; or

(B) Such member's actual earnable compensation received for teaching and legislative service combined. Any additional contributions to the retirement system required because compensation earnable under (b)(ii)(A) of this subsection is greater than compensation earnable under (b)(ii)(B) of this subsection shall be paid by the member for both member and employer contributions.

(c) In calculating earnable compensation under (a) or (b) of this subsection, the department of retirement systems shall include:

(i) Any compensation forgone by a member employed by a state agency or institution during the 2009-2011 fiscal biennium as a result of reduced work hours, mandatory or voluntary leave without pay, temporary reduction in pay implemented prior to December 11, 2010, or temporary layoffs if the reduced compensation is an integral part of the employer's expenditure reduction efforts, as certified by the employer; and

(ii) Any compensation forgone by a member during the 2011-2013 fiscal biennium as a result of reduced work hours, mandatory leave without pay, temporary layoffs, or reductions to current pay if the reduced compensation is an integral part of the employer's expenditure reduction efforts, as certified by the employer. Reductions to current pay shall not include elimination of previously agreed upon future salary reductions.

(15)(a) "Eligible position" for plan 2 members from June 7, 1990, through September 1, 1991, means a position which normally requires two or more uninterrupted months of creditable service during September through August of the following year.

(b) "Eligible position" for plan 2 and plan 3 on and after September 1, 1991, means a position that, as defined by the employer, normally requires five or more months of at least seventy hours of earnable compensation during September through August of the following year.

(c) For purposes of this chapter an employer shall not define "position" in such a manner that an employee's monthly work for that employer is divided into more than one position.

(d) The elected position of the superintendent of public instruction is an eligible position.

(16) "Employed" or "employee" means a person who is providing services for compensation to an employer, unless the person is free from the employer's direction and control over the performance of work. The department shall adopt rules and interpret this subsection consistent with common law.

(17) "Employer" means the state of Washington, the school district, or any agency of the state of Washington by which the member is paid. Except as otherwise specifically provided in this chapter, "employer" does not include a government contractor. For purposes of this subsection, a "government contractor" is any entity, including a partnership, limited liability company, for-profit or nonprofit corporation, or person, that provides services pursuant to a contract with an employer. The determination whether an employer-employee relationship has been established is not based on the relationship between a government contractor and an employer, but is based solely on the relationship between a government contractor's employee and an employer under this chapter. For the purposes of retirement plan membership, this subsection includes tribal schools who have chosen to participate in the retirement system and satisfied the requirements of RCW 28A.715.010(7).

(18) "Fiscal year" means a year which begins July 1st and ends June 30th of the following year.

(19) "Former state fund" means the state retirement fund in operation for teachers under chapter 187, Laws of 1923, as amended.

(20) "Index" means, for any calendar year, that year's annual average consumer price index, Seattle, Washington area, for urban wage earners and clerical workers, all items compiled by the bureau of labor statistics, United States department of labor.

(21) "Index A" means the index for the year prior to the determination of a postretirement adjustment.

(22) "Index B" means the index for the year prior to index A.

(23) "Index year" means the earliest calendar year in which the index is more than sixty percent of index A.

(24) "Local fund" means any of the local retirement funds for teachers operated in any school district in accordance with the provisions of chapter 163, Laws of 1917 as amended.

(25) "Member" means any teacher included in the membership of the retirement system who has not been removed from membership under RCW 41.32.878 or 41.32.768. Also, any other employee of the public schools who, on July 1, 1947, had not elected to be exempt from membership and who, prior to that date, had by an authorized payroll deduction, contributed to the member reserve.

(26) "Member account" or "member's account" for purposes of plan 3 means the sum of the contributions and earnings on behalf of the member in the defined contribution portion of plan 3.

(27) "Member reserve" means the fund in which all of the accumulated contributions of members are held.

(28) "Membership service" means service rendered subsequent to the first day of eligibility of a person to membership in the retirement system: PROVIDED, That where a member is employed by two or more employers the individual shall receive no more than one service credit month during any calendar month in which multiple service is rendered. The provisions of this subsection shall apply only to plan 1 members.

(29) "Pension" means the moneys payable per year during life from the pension reserve.

(30) "Pension reserve" is a fund in which shall be accumulated an actuarial reserve adequate to meet present and future pension liabilities of the system and from which all pension obligations are to be paid.

(31) "Plan 1" means the teachers' retirement system, plan 1 providing the benefits and funding provisions covering persons who first became members of the system prior to October 1, 1977.

(32) "Plan 2" means the teachers' retirement system, plan 2 providing the benefits and funding provisions covering persons who first became members of the system on and after October 1, 1977, and prior to July 1, 1996.

(33) "Plan 3" means the teachers' retirement system, plan 3 providing the benefits and funding provisions covering persons who first become members of the system on and after July 1, 1996, or who transfer under RCW 41.32.817.

(34) "Prior service" means service rendered prior to the first date of eligibility to membership in the retirement system for which credit is allowable. The provisions of this subsection shall apply only to plan 1 members.

(35) "Prior service contributions" means contributions made by a member to secure credit for prior service. The provisions of this subsection shall apply only to plan 1 members.

(36) "Public school" means any institution or activity operated by the state of Washington or any instrumentality or political subdivision thereof employing teachers, except the University of Washington and Washington State University. For the purposes of retirement plan membership, this subsection includes tribal schools who have chosen to participate in the retirement system and satisfied the requirements of RCW 28A.715.010(7).

(37) "Regular contributions" means the amounts required to be deducted from the compensation of a member and credited to the member's individual account in the member reserve. This subsection shall apply only to plan 1 members.

(38) "Regular interest" means such rate as the director may determine.

(39) "Retiree" means any person who has begun accruing a retirement allowance or other benefit provided by this chapter resulting from service rendered to an employer while a member.

(40)(a) "Retirement allowance" for plan 1 members, means monthly payments based on the sum of annuity and pension, or any optional benefits payable in lieu thereof.

(b) "Retirement allowance" for plan 2 and plan 3 members, means monthly payments to a retiree or beneficiary as provided in this chapter.

(41) "Retirement system" means the Washington state teachers' retirement system.

(42) "Separation from service or employment" occurs when a person has terminated all employment with an employer. Separation from service or employment does not occur, and if claimed by an employer or employee may be a violation of RCW 41.32.055, when an employee and employer have a written or oral agreement to resume employment with the same employer following termination. Mere expressions or inquiries about postretirement employment by an employer or employee that do not constitute a commitment to reemploy the employee after retirement are not an agreement under this section.

(43)(a) "Service" for plan 1 members means the time during which a member has been employed by an employer for compensation.

(i) If a member is employed by two or more employers the individual shall receive no more than one service credit month during any calendar month in which multiple service is rendered.

(ii) As authorized by RCW 28A.400.300, up to forty-five days of sick leave may be creditable as service solely for the purpose of determining eligibility to retire under RCW 41.32.470.

(iii) As authorized in RCW 41.32.065, service earned in an out-of-state retirement system that covers teachers in public schools may be applied solely for the purpose of determining eligibility to retire under RCW 41.32.470.

(b) "Service" for plan 2 and plan 3 members, means periods of employment by a member for one or more employers for which earnable compensation is earned subject to the following conditions:

(i) A member employed in an eligible position or as a substitute shall receive one service credit month for each month of September through August of the following year if he or she earns earnable compensation for eight hundred ten or more hours during that period and is employed during nine of those months, except that a member may not receive credit for any period prior to the

member's employment in an eligible position except as provided in RCW 41.32.812 and 41.50.132.

(ii) Any other member employed in an eligible position or as a substitute who earns earnable compensation during the period from September through August shall receive service credit according to one of the following methods, whichever provides the most service credit to the member:

(A) If a member is employed either in an eligible position or as a substitute teacher for nine months of the twelve month period between September through August of the following year but earns earnable compensation for less than eight hundred ten hours but for at least six hundred thirty hours, he or she will receive one-half of a service credit month for each month of the twelve month period;

(B) If a member is employed in an eligible position or as a substitute teacher for at least five months of a six-month period between September through August of the following year and earns earnable compensation for six hundred thirty or more hours within the six-month period, he or she will receive a maximum of six service credit months for the school year, which shall be recorded as one service credit month for each month of the six-month period;

(C) All other members employed in an eligible position or as a substitute teacher shall receive service credit as follows:

(I) A service credit month is earned in those calendar months where earnable compensation is earned for ninety or more hours;

(II) A half-service credit month is earned in those calendar months where earnable compensation is earned for at least seventy hours but less than ninety hours; and

(III) A quarter-service credit month is earned in those calendar months where earnable compensation is earned for less than seventy hours.

(iii) Any person who is a member of the teachers' retirement system and who is elected or appointed to a state elective position may continue to be a member of the retirement system and continue to receive a service credit month for each of the months in a state elective position by making the required member contributions.

(iv) When an individual is employed by two or more employers the individual shall only receive one month's service credit during any calendar month in which multiple service for ninety or more hours is rendered.

(v) As authorized by RCW 28A.400.300, up to forty-five days of sick leave may be creditable as service solely for the purpose of determining eligibility to retire under RCW 41.32.470. For purposes of plan 2 and plan 3 "forty-five days" as used in RCW 28A.400.300 is equal to two service credit months. Use of less than forty-five days of sick leave is creditable as allowed under this subsection as follows:

(A) Less than eleven days equals one-quarter service credit month;

(B) Eleven or more days but less than twenty-two days equals one-half service credit month;

(C) Twenty-two days equals one service credit month;

(D) More than twenty-two days but less than thirty-three days equals one and one-quarter service credit month;

(E) Thirty-three or more days but less than forty-five days equals one and one-half service credit month.

(vi) As authorized in RCW 41.32.065, service earned in an out-of-state retirement system that covers teachers in public schools may be applied solely for the purpose of determining eligibility to retire under RCW 41.32.470.

(vii) The department shall adopt rules implementing this subsection.

(44) "Service credit month" means a full service credit month or an accumulation of partial service credit months that are equal to one.

(45) "Service credit year" means an accumulation of months of service credit which is equal to one when divided by twelve.

(46) "State actuary" or "actuary" means the person appointed pursuant to RCW 44.44.010(2).

(47) "State elective position" means any position held by any person elected or appointed to statewide office or elected or appointed as a member of the legislature.

(48) "Substitute teacher" means:

(a) A teacher who is hired by an employer to work as a temporary teacher, except for teachers who are annual contract employees of an employer and are guaranteed a minimum number of hours; or

(b) Teachers who either (i) work in ineligible positions for more than one employer or (ii) work in an ineligible position or positions together with an eligible position.

(49) "Teacher" means any person qualified to teach who is engaged by a public school in an instructional, administrative, or supervisory capacity. The term includes state, educational service district, and school district superintendents and their assistants and all employees certificated by the superintendent of public instruction; and in addition thereto any full time school doctor who is employed by a public school and renders service of an instructional or educational nature.

Sec. 3. RCW 41.35.010 and 2012 c 236 s 4 are each amended to read as follows:

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

(1) "Accumulated contributions" means the sum of all contributions standing to the credit of a member in the member's individual account, including any amount paid under RCW 41.50.165(2), together with the regular interest thereon.

(2) "Actuarial equivalent" means a benefit of equal value when computed upon the basis of such mortality and other tables as may be adopted by the director.

(3) "Adjustment ratio" means the value of index A divided by index B.

(4) "Annuity" means payments for life derived from accumulated contributions of a member. All annuities shall be paid in monthly installments.

(5)(a) "Average final compensation" for plan 2 and plan 3 members means the member's average compensation earnable of the highest consecutive sixty months of service credit months prior to such member's retirement, termination, or death. Periods constituting authorized leaves of absence may not be used in the calculation of average final compensation except under RCW 41.40.710(2).

(b) In calculating average final compensation under (a) of this subsection, the department of retirement systems shall include any compensation forgone by a member during the 2011-2013 fiscal biennium as a result of reduced work

hours, mandatory leave without pay, temporary layoffs, or reductions to current pay if the reduced compensation is an integral part of the employer's expenditure reduction efforts, as certified by the employer. Reductions to current pay shall not include elimination of previously agreed upon future salary reductions.

(6) "Beneficiary" for plan 2 and plan 3 members means any person in receipt of a retirement allowance or other benefit provided by this chapter resulting from service rendered to an employer by another person.

(7) "Classified employee" means an employee of a school district or an educational service district who is not eligible for membership in the teachers' retirement system established under chapter 41.32 RCW.

(8)(a) "Compensation earnable" for plan 2 and plan 3 members, means salaries or wages earned by a member during a payroll period for personal services, including overtime payments, and shall include wages and salaries deferred under provisions established pursuant to sections 403(b), 414(h), and 457 of the United States internal revenue code, but shall exclude nonmoney maintenance compensation and lump sum or other payments for deferred annual sick leave, unused accumulated vacation, unused accumulated annual leave, or any form of severance pay.

(b) "Compensation earnable" for plan 2 and plan 3 members also includes the following actual or imputed payments, which are not paid for personal services:

(i) Retroactive payments to an individual by an employer on reinstatement of the employee in a position, or payments by an employer to an individual in lieu of reinstatement, which are awarded or granted as the equivalent of the salary or wage which the individual would have earned during a payroll period shall be considered compensation earnable to the extent provided in this subsection, and the individual shall receive the equivalent service credit;

(ii) In any year in which a member serves in the legislature, the member shall have the option of having such member's compensation earnable be the greater of:

(A) The compensation earnable the member would have received had such member not served in the legislature; or

(B) Such member's actual compensation earnable received for nonlegislative public employment and legislative service combined. Any additional contributions to the retirement system required because compensation earnable under (b)(ii)(A) of this subsection is greater than compensation earnable under this (b)(ii)(B) of this subsection shall be paid by the member for both member and employer contributions;

(iii) Assault pay only as authorized by RCW 27.04.100, 72.01.045, and 72.09.240;

(iv) Compensation that a member would have received but for a disability occurring in the line of duty only as authorized by RCW 41.40.038;

(v) Compensation that a member receives due to participation in the leave sharing program only as authorized by RCW 41.04.650 through 41.04.670; and

(vi) Compensation that a member receives for being in standby status. For the purposes of this section, a member is in standby status when not being paid for time actually worked and the employer requires the member to be prepared to report immediately for work, if the need arises, although the need may not arise.

(9) "Department" means the department of retirement systems created in chapter 41.50 RCW.

(10) "Director" means the director of the department.

(11) "Eligible position" means any position that, as defined by the employer, normally requires five or more months of service a year for which regular compensation for at least seventy hours is earned by the occupant thereof. For purposes of this chapter an employer shall not define "position" in such a manner that an employee's monthly work for that employer is divided into more than one position.

(12) "Employee" or "employed" means a person who is providing services for compensation to an employer, unless the person is free from the employer's direction and control over the performance of work. The department shall adopt rules and interpret this subsection consistent with common law.

(13) "Employer," for plan 2 and plan 3 members, means a school district ~~((or))~~, an educational service district, or tribal school that has chosen to participate in the retirement system and has satisfied the requirements of RCW 28A.715.010(7). Except as otherwise specifically provided in this chapter, "employer" does not include a government contractor. For purposes of this subsection, a "government contractor" is any entity, including a partnership, limited liability company, for-profit or nonprofit corporation, or person, that provides services pursuant to a contract with an employer. The determination whether an employer-employee relationship has been established is not based on the relationship between a government contractor and an employer, but is based solely on the relationship between a government contractor's employee and an employer under this chapter.

(14) "Final compensation" means the annual rate of compensation earnable by a member at the time of termination of employment.

(15) "Index" means, for any calendar year, that year's annual average consumer price index, Seattle, Washington area, for urban wage earners and clerical workers, all items, compiled by the bureau of labor statistics, United States department of labor.

(16) "Index A" means the index for the year prior to the determination of a postretirement adjustment.

(17) "Index B" means the index for the year prior to index A.

(18) "Ineligible position" means any position which does not conform with the requirements set forth in subsection (22) of this section.

(19) "Leave of absence" means the period of time a member is authorized by the employer to be absent from service without being separated from membership.

(20) "Member" means any employee included in the membership of the retirement system, as provided for in RCW 41.35.030.

(21) "Member account" or "member's account" for purposes of plan 3 means the sum of the contributions and earnings on behalf of the member in the defined contribution portion of plan 3.

(22) "Membership service" means all service rendered as a member.

(23) "Pension" means payments for life derived from contributions made by the employer. All pensions shall be paid in monthly installments.

(24) "Plan 2" means the Washington school employees' retirement system plan 2 providing the benefits and funding provisions covering persons who first

became members of the public employees' retirement system on and after October 1, 1977, and transferred to the Washington school employees' retirement system under RCW 41.40.750.

(25) "Plan 3" means the Washington school employees' retirement system plan 3 providing the benefits and funding provisions covering persons who first became members of the system on and after September 1, 2000, or who transfer from plan 2 under RCW 41.35.510.

(26) "Regular interest" means such rate as the director may determine.

(27) "Retiree" means any person who has begun accruing a retirement allowance or other benefit provided by this chapter resulting from service rendered to an employer while a member.

(28) "Retirement" means withdrawal from active service with a retirement allowance as provided by this chapter.

(29) "Retirement allowance" for plan 2 and plan 3 members means monthly payments to a retiree or beneficiary as provided in this chapter.

(30) "Retirement system" means the Washington school employees' retirement system provided for in this chapter.

(31) "Separation from service" occurs when a person has terminated all employment with an employer.

(32) "Service" for plan 2 and plan 3 members means periods of employment by a member in an eligible position or positions for one or more employers for which compensation earnable is paid. Compensation earnable earned for ninety or more hours in any calendar month shall constitute one service credit month except as provided in RCW 41.35.180. Compensation earnable earned for at least seventy hours but less than ninety hours in any calendar month shall constitute one-half service credit month of service. Compensation earnable earned for less than seventy hours in any calendar month shall constitute one-quarter service credit month of service. Time spent in standby status, whether compensated or not, is not service.

Any fraction of a year of service shall be taken into account in the computation of such retirement allowance or benefits.

(a) Service in any state elective position shall be deemed to be full-time service.

(b) A member shall receive a total of not more than twelve service credit months of service for such calendar year. If an individual is employed in an eligible position by one or more employers the individual shall receive no more than one service credit month during any calendar month in which multiple service for ninety or more hours is rendered.

(c) For purposes of plan 2 and 3 "forty-five days" as used in RCW 28A.400.300 is equal to two service credit months. Use of less than forty-five days of sick leave is creditable as allowed under this subsection as follows:

(i) Less than eleven days equals one-quarter service credit month;

(ii) Eleven or more days but less than twenty-two days equals one-half service credit month;

(iii) Twenty-two days equals one service credit month;

(iv) More than twenty-two days but less than thirty-three days equals one and one-quarter service credit month; and

(v) Thirty-three or more days but less than forty-five days equals one and one-half service credit month.

(33) "Service credit month" means a month or an accumulation of months of service credit which is equal to one.

(34) "Service credit year" means an accumulation of months of service credit which is equal to one when divided by twelve.

(35) "State actuary" or "actuary" means the person appointed pursuant to RCW 44.44.010(2).

(36) "State elective position" means any position held by any person elected or appointed to statewide office or elected or appointed as a member of the legislature.

(37) "State treasurer" means the treasurer of the state of Washington.

(38) "Substitute employee" means a classified employee who is employed by an employer exclusively as a substitute for an absent employee.

NEW SECTION, Sec. 4. The department of retirement systems shall make reasonable efforts to seek guidance, if available, from the federal internal revenue service to ensure this act does not jeopardize qualification of the state retirement plans under section 401(a) of the internal revenue code. If the federal internal revenue service issues guidance stating that this act is in conflict with the plan qualification requirements for governmental plans in section 401(a) of the internal revenue code, and the conflict cannot be resolved through administrative action or statutory change, then this act is null and void.

Passed by the Senate February 7, 2018.

Passed by the House March 1, 2018.

Approved by the Governor March 23, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 258

[Engrossed Senate Bill 6211]

GOOD NEIGHBOR AGREEMENTS--FEDERAL LANDS REVOLVING ACCOUNTS

AN ACT Relating to the federal lands revolving account; amending RCW 43.79A.040; reenacting and amending RCW 79.02.010; adding a new section to chapter 77.12 RCW; adding a new section to chapter 79.64 RCW; and declaring an emergency.

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

Sec. 1. RCW 79.02.010 and 2012 c 166 s 2 are each reenacted and amended to read as follows:

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

(1) "Aquatic lands" means all state-owned tidelands, shorelands, harbor areas, and the beds of navigable waters as defined in RCW 79.105.060 that are administered by the department.

(2) "Board" means the board of natural resources.

(3) "Commissioner" means the commissioner of public lands.

(4) "Community and technical college forest reserve lands" means lands managed under RCW 79.02.420.

(5) "Community forest trust lands" means those lands acquired and managed under the provisions of chapter 79.155 RCW.

(6) "Department" means the department of natural resources.

(7)(a) "Forest biomass" means the by-products of: Current forest management activities; current forest protection treatments prescribed or permitted under chapter 76.04 RCW; or the by-products of forest health treatment prescribed or permitted under chapter 76.06 RCW.

(b) "Forest biomass" does not include wood pieces that have been treated with chemical preservatives such as: Creosote, pentachlorophenol, or copper-chrome-arsenic; wood from existing old growth forests; wood required to be left on-site under chapter 76.09 RCW, the state forest practices act; and implementing rules, and other legal and contractual requirements; or municipal solid waste.

(8) "Good neighbor agreement" means an agreement entered into between the state and the United States forest service or United States bureau of land management to conduct forestland, watershed, and rangeland restoration activities on federal lands, as originally authorized by the 2014 farm bill (P.L. 113-79).

(9) "Improvements" means anything considered a fixture in law placed upon or attached to lands administered by the department that has changed the value of the lands or any changes in the previous condition of the fixtures that changes the value of the lands.

~~((9))~~ (10) "Land bank lands" means lands acquired under RCW 79.19.020.

~~((10))~~ (11) "Person" means an individual, partnership, corporation, association, organization, cooperative, public or municipal corporation, or agency of a federal, state, or local governmental unit, however designated.

~~((11))~~ (12) "Public lands" means lands of the state of Washington administered by the department including but not limited to state lands, state forestlands, lands included in a state forestland pool, and aquatic lands.

~~((12))~~ (13) "State forestland pool" or "land pool" means state forestlands acquired and managed under RCW 79.22.140.

~~((13))~~ (14) "State forestlands" means lands acquired under RCW 79.22.010, 79.22.040, and 79.22.020.

~~((14))~~ (15) "State lands" includes:

(a) School lands, that is, lands held in trust for the support of the common schools;

(b) University lands, that is, lands held in trust for university purposes;

(c) Agricultural college lands, that is, lands held in trust for the use and support of agricultural colleges;

(d) Scientific school lands, that is, lands held in trust for the establishment and maintenance of a scientific school;

(e) Normal school lands, that is, lands held in trust for state normal schools;

(f) Capitol building lands, that is, lands held in trust for the purpose of erecting public buildings at the state capital for legislative, executive, and judicial purposes;

(g) Institutional lands, that is, lands held in trust for state charitable, educational, penal, and reformatory institutions; and

(h) Land bank, escheat, donations, and all other lands, except aquatic lands, administered by the department that are not devoted to or reserved for a particular use by law.

~~((15))~~ (16) "Valuable materials" means any product or material on the lands, such as forest products, forage or agricultural crops, stone, gravel, sand,

peat, and all other materials of value except: (a) Mineral, coal, petroleum, and gas as provided for under chapter 79.14 RCW; and (b) forest biomass as provided for under chapter 79.150 RCW.

NEW SECTION. Sec. 2. A new section is added to chapter 77.12 RCW to read as follows:

The fish and wildlife federal lands revolving account is created in the custody of the state treasurer. All receipts from the proceeds of good neighbor agreements as defined in RCW 79.02.010 and implemented by the department of fish and wildlife and all legislative transfers, gifts, grants, and federal funds designated for use in conjunction with a good neighbor agreement implemented by the department of fish and wildlife must be deposited into the account. Expenditures from the account are subject to the limitations of the agreements under which proceeds were generated and may be used only for the planning and implementation of good neighbor agreements, including management or administrative costs and relevant goods and services. Only the director or the director's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures. The fish and wildlife federal lands revolving account is an interest-bearing account and the interest must be credited to the account.

NEW SECTION. Sec. 3. A new section is added to chapter 79.64 RCW to read as follows:

The natural resources federal lands revolving account is created in the custody of the state treasurer. All receipts from the proceeds of good neighbor agreements as defined in RCW 79.02.010 and implemented by the department of natural resources and all legislative transfers, gifts, grants, and federal funds designated for use in conjunction with a good neighbor agreement implemented by the department of natural resources must be deposited into the account. Expenditures from the account are subject to the limitations of the agreements under which proceeds were generated and may be used only for the planning and implementation of good neighbor agreements, including management or administrative costs and relevant goods and services. Only the commissioner or the commissioner's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures. The natural resources federal lands revolving account is an interest-bearing account and the interest must be credited to the account.

Sec. 4. RCW 43.79A.040 and 2017 3rd sp.s. c 5 s 89 are each amended to read as follows:

(1) Money in the treasurer's trust fund may be deposited, invested, and reinvested by the state treasurer in accordance with RCW 43.84.080 in the same manner and to the same extent as if the money were in the state treasury, and may be commingled with moneys in the state treasury for cash management and cash balance purposes.

(2) All income received from investment of the treasurer's trust fund must be set aside in an account in the treasury trust fund to be known as the investment income account.

(3) The investment income account may be utilized for the payment of purchased banking services on behalf of treasurer's trust funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasurer or affected state agencies. The investment income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments must occur prior to distribution of earnings set forth in subsection (4) of this section.

(4)(a) Monthly, the state treasurer must distribute the earnings credited to the investment income account to the state general fund except under (b), (c), and (d) of this subsection.

(b) The following accounts and funds must receive their proportionate share of earnings based upon each account's or fund's average daily balance for the period: The 24/7 sobriety account, the Washington promise scholarship account, the Gina Grant Bull memorial legislative page scholarship account, the Washington advanced college tuition payment program account, the Washington college savings program account, the accessible communities account, the Washington achieving a better life experience program account, the community and technical college innovation account, the agricultural local fund, the American Indian scholarship endowment fund, the foster care scholarship endowment fund, the foster care endowed scholarship trust fund, the contract harvesting revolving account, the Washington state combined fund drive account, the commemorative works account, the county enhanced 911 excise tax account, the toll collection account, the developmental disabilities endowment trust fund, the energy account, the fair fund, the family and medical leave insurance account, the fish and wildlife federal lands revolving account, the natural resources federal lands revolving account, the food animal veterinarian conditional scholarship account, the forest health revolving account, the fruit and vegetable inspection account, the future teachers conditional scholarship account, the game farm alternative account, the GET ready for math and science scholarship account, the Washington global health technologies and product development account, the grain inspection revolving fund, the industrial insurance rainy day fund, the juvenile accountability incentive account, the law enforcement officers' and firefighters' plan 2 expense fund, the local tourism promotion account, the low-income home rehabilitation revolving loan program account, the multiagency permitting team account, the northeast Washington wolf-livestock management account, the pilotage account, the produce railcar pool account, the regional transportation investment district account, the rural rehabilitation account, the Washington sexual assault kit account, the stadium and exhibition center account, the youth athletic facility account, the self-insurance revolving fund, the children's trust fund, the Washington horse racing commission Washington bred owners' bonus fund and breeder awards account, the Washington horse racing commission class C purse fund account, the individual development account program account, the Washington horse racing commission operating account, the life sciences discovery fund, the Washington state heritage center account, the reduced cigarette ignition propensity account, the center for childhood deafness and hearing loss account, the school for the blind account, the Millersylvania park trust fund, the public employees' and retirees' insurance reserve fund, and the radiation perpetual maintenance fund.

(c) The following accounts and funds must receive eighty percent of their proportionate share of earnings based upon each account's or fund's average daily balance for the period: The advanced right-of-way revolving fund, the advanced environmental mitigation revolving account, the federal narcotics asset forfeitures account, the high occupancy vehicle account, the local rail service assistance account, and the miscellaneous transportation programs account.

(d) Any state agency that has independent authority over accounts or funds not statutorily required to be held in the custody of the state treasurer that deposits funds into a fund or account in the custody of the state treasurer pursuant to an agreement with the office of the state treasurer shall receive its proportionate share of earnings based upon each account's or fund's average daily balance for the period.

(5) In conformance with Article II, section 37 of the state Constitution, no trust accounts or funds shall be allocated earnings without the specific affirmative directive of this section.

NEW SECTION. **Sec. 5.** 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 6, 2018.

Passed by the House March 2, 2018.

Approved by the Governor March 23, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 259

[Senate Bill 6240]

MINIATURE HOBBY BOILERS

AN ACT Relating to miniature hobby boilers; and amending RCW 70.79.070 and 70.79.080.

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

Sec. 1. RCW 70.79.070 and 2009 c 90 s 2 are each amended to read as follows:

(1) All boilers and unfired pressure vessels which were in use, or installed ready for use in this state prior to the date upon which the first rules and regulations under this chapter pertaining to existing installations became effective, or during the twelve months period immediately thereafter, shall be made to conform to the rules and regulations of the board governing existing installations, and the formulae prescribed therein shall be used in determining the maximum allowable working pressure for such boilers and unfired pressure vessels.

(2) This chapter shall not be construed as in any way preventing the use or sale of boilers or unfired vessels as referred to in subsection (1) of this section, provided they have been made to conform to the rules and regulations of the board governing existing installations, and provided, further, they have not been found upon inspection to be in an unsafe condition.

~~((3) An inspection certificate may also be granted for miniature hobby boilers that do not comply with the code requirements of the American society~~

~~of mechanical engineers adopted under this chapter and do not exceed any of the following limits:~~

- ~~(a) Sixteen inches inside diameter of the shell;~~
- ~~(b) Twenty square feet of total heating surface;~~
- ~~(c) Five cubic feet of gross volume of vessel; and~~
- ~~(d) One hundred fifty p.s.i.g. maximum allowable working pressure, and if the boiler is to be operated exclusively not for commercial or industrial use and the department of labor and industries finds, upon inspection, that operation of the boiler for such purposes is not unsafe.)~~

Sec. 2. RCW 70.79.080 and 2009 c 90 s 3 are each amended to read as follows:

This chapter shall not apply to the following boilers, unfired pressure vessels and domestic hot water tanks:

(1) Boilers and unfired pressure vessels under federal regulation or operated by any railroad subject to the provisions of the interstate commerce act;

(2) Unfired pressure vessels meeting the requirements of the interstate commerce commission for shipment of liquids or gases under pressure;

(3) Air tanks located on vehicles operating under the rules of other state authorities and used for carrying passengers, or freight;

(4) Air tanks installed on the right-of-way of railroads and used directly in the operation of trains;

(5) Unfired pressure vessels having a volume of five cubic feet or less when not located in places of public assembly;

(6) Unfired pressure vessels designed for a pressure not exceeding fifteen pounds per square inch gauge;

(7) Tanks used in connection with heating water for domestic and/or residential purposes;

(8) Boilers and unfired pressure vessels in cities having ordinances which are enforced and which have requirements equal to or higher than those provided for under this chapter, covering the installation, operation, maintenance and inspection of boilers and unfired pressure vessels;

(9) Tanks containing water with no air cushion and no direct source of energy that operate at ambient temperature;

(10) Electric boilers:

(a) Having a tank volume of not more than one and one-half cubic feet;

(b) Having a maximum allowable working pressure of one hundred pounds per square inch or less, with a pressure relief system to prevent excess pressure; and

(c) If constructed after June 10, 1994, constructed to American society of mechanical engineers code, or approved or otherwise certified by a nationally recognized or recognized foreign testing laboratory or construction code, including but not limited to Underwriters Laboratories, Edison Testing Laboratory, or Instituto Superiore Per La Prevenzione E La Sicurezza Del Lavoro;

(11) Electrical switchgear and control apparatus that have no external source of energy to maintain pressure and are located in restricted access areas under the control of an electric utility;

(12) Regardless of location, unfired pressure vessels less than one and one-half cubic feet (11.25 gallons) in volume or less than six inches in diameter with no limitation on the length of the vessel or pressure;

(13) Domestic hot water heaters less than one and one-half cubic feet (11.25 gallons) in volume with a safety valve setting of one hundred fifty pounds per square inch gauge or less;

(14)(a)(i) Miniature hobby boilers that have been certified by an inspector as of the effective date of this section; or

(ii) Miniature hobby boilers that have not been certified by an inspector as of the effective date of this section but that receive certification from the chief inspector prior to being placed in service.

(b) For the purposes of this subsection, "miniature hobby boilers" means those that do not comply with the code requirements of the American society of mechanical engineers adopted under this chapter and do not exceed any of the following limits:

(i) Sixteen inches inside diameter of the shell;

(ii) Twenty square feet of total heating surface;

(iii) Five cubic feet of gross volume of vessel;

(iv) One hundred fifty p.s.i.g. maximum allowable working pressure; and

(v) The boiler is to be operated exclusively not for commercial or industrial use.

Passed by the Senate February 7, 2018.

Passed by the House March 1, 2018.

Approved by the Governor March 23, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 260

[Engrossed Substitute Senate Bill 6241]

SCHOOL EMPLOYEES' BENEFITS BOARD

AN ACT Relating to the January 1, 2020, implementation of the school employees' benefits board program; amending RCW 41.05.740, 41.05.006, 41.05.009, 41.05.011, 41.05.021, 41.05.022, 41.05.023, 41.05.026, 41.05.050, 41.05.055, 41.05.065, 41.05.066, 41.05.075, 41.05.080, 41.05.085, 41.05.140, 41.05.225, 41.05.300, 41.05.320, 41.04.205, 28A.400.350, 41.05.120, 41.05.123, 41.05.143, 43.79A.040, 28A.400.280, and 41.05.700; reenacting and amending RCW 28A.400.275 and 42.56.400; adding new sections to chapter 41.05 RCW; adding a new section to chapter 28A.710 RCW; adding a new section to chapter 28A.400 RCW; creating a new section; and declaring an emergency.

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

Sec. 1. RCW 41.05.740 and 2017 3rd sp.s. c 13 s 801 are each amended to read as follows:

(1) The school employees' benefits board is created within the authority. The function of the school employees' benefits board is to design and approve insurance benefit plans for school employees and to establish eligibility criteria for participation in insurance benefit plans.

(2) By September 30, 2017, the governor shall appoint the following voting members to the school employees' benefits board as follows:

(a) Two members from associations representing certificated employees;

(b) Two members from associations representing classified employees;

(c) Four members with expertise in employee health benefits policy and administration, one of which is nominated by an association representing school business officials; and

(d) The director of the authority or his or her designee.

(3) Initial members of the school employees' benefits board shall serve staggered terms not to exceed four years. Members appointed thereafter shall serve two-year terms.

(4) Compensation and reimbursement related to school employees' benefits board member service are as follows:

(a) Members of the school employees' benefits board must be compensated in accordance with RCW 43.03.250 and must be reimbursed for their travel expenses while on official business in accordance with RCW 43.03.050 and 43.03.060.

(b) While school employees' benefits board members are carrying out their powers and duties under chapter 41.05 RCW, if the service of any certificated or classified employee results in a need for a school employees' benefits board organization to employ a substitute for such certificated or classified employee during such service, payment for such a substitute may be made by the authority from funds appropriated by the legislature for the school employees' benefits board program. If such substitute is paid by the authority, no deduction shall be made from the salary of the certificated or classified employee. In no event shall a school employees' benefits board organization deduct from the salary of a certificated or classified employee serving on the school employees' benefits board more than the amount paid the substitute employed by the school employees' benefits board organization.

(5) The director of the authority or his or her designee shall be the chair and another member shall be selected by the school employees' benefits board as vice chair. The chair shall conduct meetings of the school employees' benefits board. The vice chair shall preside over meetings in the absence of the chair. The school employees' benefits board shall develop bylaws for the conduct of its business.

(6) The school employees' benefits board shall:

(a) Study all matters connected with the provision of health care coverage, life insurance, liability insurance, accidental death and dismemberment, and disability insurance, or any of, or combination of, the enumerated types of insurance for eligible school employees and their dependents on the best basis possible with relation both to the welfare of the school employees and the state. However, liability insurance should not be made available to dependents;

(b) Develop school employee benefit plans that include comprehensive, evidence-based health care benefits for school employees. In developing these plans, the school employees' benefits board shall consider the following elements:

(i) Methods of maximizing cost containment while ensuring access to quality health care;

(ii) Development of provider arrangements that encourage cost containment and ensure access to quality care including, but not limited to, prepaid delivery systems and prospective payment methods;

(iii) Wellness, preventive care, chronic disease management, and other incentives that focus on proven strategies;

(iv) Utilization review procedures to support cost-effective benefits delivery;

(v) Ways to leverage efficient purchasing by coordinating with the public employees' benefits board;

(vi) Effective coordination of benefits; and

(vii) Minimum standards for insuring entities;

(c) Authorize premium contributions for ~~((an))~~ a school employee and the employee's dependents in a manner that encourages the use of cost-efficient health care systems. For participating school employees, the required school employee share of the cost for family coverage ~~((under a plan))~~ premiums may not exceed ~~((the required employee share of the cost for employee only coverage))~~ three times the premiums for a school employee purchasing single coverage for the same coverage plan;

(d) Determine the terms and conditions of school employee and dependent eligibility criteria, enrollment policies, and scope of coverage. At a minimum, the eligibility criteria established by the school employees' benefits board shall address the following:

(i) The effective date of coverage following hire;

(ii) ~~((An))~~ The benefits eligibility criteria, but the school employees' benefits board's criteria shall be no more restrictive than requiring that a school employee ((must)) be anticipated to work at least six hundred thirty hours per school year ((to qualify for coverage)) to be benefits eligible; and

(iii) Coverage for dependents, including criteria for legal spouses; children up to age twenty-six; children of any age with disabilities, mental illness, or intellectual or other developmental disabilities; and state registered domestic partners, as defined in RCW 26.60.020, and others authorized by the legislature;

(e) ~~((Determine the terms and conditions of purchasing system participation, consistent with chapter 13, Laws of 2017 3rd sp. sess., including establishment of criteria for employing districts and individual employees;))~~ Establish terms and conditions for a school employees' benefits board organization to have the ability to locally negotiate eligibility criteria for a school employee who is anticipated to work less than six hundred thirty hours in a school year. A school employees' benefits board organization that elects to use a lower threshold of hours for benefits eligibility must use benefits authorized by the school employees' benefits board and shall do so as an enrichment to the state's definition of basic education;

(f) Establish penalties to be imposed when ~~((the employing district))~~ a school employees' benefits board organization fails to comply with established participation criteria; and

(g) Participate with the authority in the preparation of specifications and selection of carriers contracted for school employee benefit plan coverage of eligible school employees in accordance with the criteria set forth in rules. To the extent possible, the school employees' benefits board shall leverage efficient purchasing by coordinating with the public employees' benefits board.

(7) School employees shall choose participation in one of the health care benefit plans developed by the school employees' benefits board. Individual school employees eligible for benefits under subsection (6)(d) of this section may be permitted to waive coverage under terms and conditions established by the school employees' benefits board.

(8) By November 30, 2021, the authority shall review the benefit plans provided through the school employees' benefits board, complete an analysis of the benefits provided and the administration of the benefits plans, and determine whether provisions in chapter 13, Laws of 2017 3rd sp. sess. have resulted in cost savings to the state. The authority shall submit a report to the relevant legislative policy and fiscal committees summarizing the results of the review and analysis.

Sec. 2. RCW 41.05.006 and 2006 c 299 s 1 are each amended to read as follows:

(1) The legislature recognizes that (a) the state is a major purchaser of health care services, (b) the increasing costs of such health care services are posing and will continue to pose a great financial burden on the state, (c) it is the state's policy, consistent with the best interests of the state, to provide comprehensive health care as an employer, to ~~((state))~~ employees and school employees ~~((and))~~, officials ~~((and))~~, their dependents, and to those who are dependent on the state for necessary medical care, and (d) it is imperative that the state begin to develop effective and efficient health care delivery systems and strategies for procuring health care services in order for the state to continue to purchase the most comprehensive health care possible.

(2) It is therefore the purpose of this chapter to establish the Washington state health care authority whose purpose shall be to (a) develop health care benefit programs that provide access to at least one comprehensive benefit plan funded to the fullest extent possible by the employer, and a health savings account/high deductible health plan option as defined in section 1201 of the medicare prescription drug improvement and modernization act of 2003, as amended, for eligible ~~((state))~~ employees and school employees, officials, and their dependents, and (b) study all state purchased health care, alternative health care delivery systems, and strategies for the procurement of health care services and make recommendations aimed at minimizing the financial burden which health care poses on the state, ~~((its))~~ employees and school employees, and its charges, while at the same time allowing the state to provide the most comprehensive health care options possible.

Sec. 3. RCW 41.05.009 and 2015 c 116 s 1 are each amended to read as follows:

(1) The authority, or an employing agency at the authority's direction, shall initially determine and periodically review whether an employee or a school employee is eligible for benefits pursuant to the criteria established under this chapter.

(2) An employing agency shall inform an employee or a school employee in writing whether or not he or she is eligible for benefits when initially determined and upon any subsequent change, including notice of the employee's or school employee's right to an appeal.

Sec. 4. RCW 41.05.011 and 2017 3rd sp.s. c 13 s 802 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 Washington state health care authority.

(2) "Board" means the public employees' benefits board established under RCW 41.05.055 and the school employees' benefits board established under RCW 41.05.740.

(3) "Dependent care assistance program" means a benefit plan whereby ((state)) employees and school employees may pay for certain employment related dependent care with pretax dollars as provided in the salary reduction plan under this chapter pursuant to 26 U.S.C. Sec. 129 or other sections of the internal revenue code.

(4) "Director" means the director of the authority.

(5) "Emergency service personnel killed in the line of duty" means law enforcement officers and firefighters as defined in RCW 41.26.030, members of the Washington state patrol retirement fund as defined in RCW 43.43.120, and reserve officers and firefighters as defined in RCW 41.24.010 who die as a result of injuries sustained in the course of employment as determined consistent with Title 51 RCW by the department of labor and industries.

(6)(a) "Employee" for the public employees' benefits board program includes all employees of the state, whether or not covered by civil service; elected and appointed officials of the executive branch of government, including full-time members of boards, commissions, or committees; justices of the supreme court and judges of the court of appeals and the superior courts; and members of the state legislature. Pursuant to contractual agreement with the authority, "employee" may also include: (i) Employees of a county, municipality, or other political subdivision of the state and members of the legislative authority of any county, city, or town who are elected to office after February 20, 1970, if the legislative authority of the county, municipality, or other political subdivision of the state submits application materials to the authority to provide any of its insurance programs by contract with the authority, as provided in RCW 41.04.205 and 41.05.021(1)(g); (ii) employees of employee organizations representing state civil service employees, at the option of each such employee organization; (iii) through December 31, 2019, employees of a school district if the authority agrees to provide any of the school districts' insurance programs by contract with the authority as provided in RCW 28A.400.350; (iv) employees of a tribal government, if the governing body of the tribal government seeks and receives the approval of the authority to provide any of its insurance programs by contract with the authority, as provided in RCW 41.05.021(1) (f) and (g); (v) employees of the Washington health benefit exchange if the governing board of the exchange established in RCW 43.71.020 seeks and receives approval of the authority to provide any of its insurance programs by contract with the authority, as provided in RCW 41.05.021(1) (g) and (n); and (vi) through December 31, 2019, employees of a charter school established under chapter 28A.710 RCW. "Employee" does not include: Adult family home providers; unpaid volunteers; patients of state hospitals; inmates; employees of the Washington state convention and trade center as provided in RCW 41.05.110; students of institutions of higher education as determined by their institution; and any others not expressly defined as employees under this chapter or by the authority under this chapter.

(b) Effective January 1, 2020, "school employee" for the school employees' benefits board program includes all employees of school districts, educational service districts, and charter schools established under chapter 28A.710 RCW.

(7) "Employee group" means employees of a similar employment type, such as administrative, represented classified, nonrepresented classified, confidential, represented certificated, or nonrepresented certificated, within a school ~~((district))~~ employees' benefits board organization.

(8)(a) "Employer" for the public employees' benefits board program means the state of Washington.

(b) "Employer" for the school employees' benefits board program means school districts and educational service districts and charter schools established under chapter 28A.710 RCW.

(9) "Employer group" means those counties, municipalities, political subdivisions, the Washington health benefit exchange, tribal governments, ~~((school districts, and educational service districts, and))~~ employee organizations representing state civil service employees, and through December 31, 2019, school districts, educational service districts, and charter schools obtaining employee benefits through a contractual agreement with the authority to participate in benefit plans developed by the public employees' benefits board.

(10)(a) "Employing agency" for the public employees' benefits board program means a division, department, or separate agency of state government, including an institution of higher education; a county, municipality, or other political subdivision; ~~((charter school;))~~ and a tribal government covered by this chapter.

(b) "Employing agency" for the school employees' benefits board program means school districts ~~((and)),~~ educational service districts, and charter schools.

(11) "Faculty" means an academic employee of an institution of higher education whose workload is not defined by work hours but whose appointment, workload, and duties directly serve the institution's academic mission, as determined under the authority of its enabling statutes, its governing body, and any applicable collective bargaining agreement.

(12) "Flexible benefit plan" means a benefit plan that allows employees and school employees to choose the level of health care coverage provided and the amount of employee or school employee contributions from among a range of choices offered by the authority.

(13) "Insuring entity" means an insurer as defined in chapter 48.01 RCW, a health care service contractor as defined in chapter 48.44 RCW, or a health maintenance organization as defined in chapter 48.46 RCW.

(14) "Medical flexible spending arrangement" means a benefit plan whereby state and school employees may reduce their salary before taxes to pay for medical expenses not reimbursed by insurance as provided in the salary reduction plan under this chapter pursuant to 26 U.S.C. Sec. 125 or other sections of the internal revenue code.

(15) "Participant" means an individual who fulfills the eligibility and enrollment requirements under the salary reduction plan.

(16) "Plan year" means the time period established by the authority.

(17) "Premium payment plan" means a benefit plan whereby ~~((state and))~~ public employees may pay their share of group health plan premiums with pretax dollars as provided in the salary reduction plan under this chapter pursuant to 26 U.S.C. Sec. 125 or other sections of the internal revenue code.

(18) "Public employee" has the same meaning as employee and school employee.

(19) "Retired or disabled school employee" means:

(a) Persons who separated from employment with a school district or educational service district and are receiving a retirement allowance under chapter 41.32 or 41.40 RCW as of September 30, 1993;

(b) Persons who separate from employment with a school district, educational service district, or charter school on or after October 1, 1993, and immediately upon separation receive a retirement allowance under chapter 41.32, 41.35, or 41.40 RCW;

(c) Persons who separate from employment with a school district, educational service district, or charter school due to a total and permanent disability, and are eligible to receive a deferred retirement allowance under chapter 41.32, 41.35, or 41.40 RCW.

~~((19))~~ (20) "Salary" means a state or school employee's monthly salary or wages.

~~((20))~~ (21) "Salary reduction plan" means a benefit plan whereby ~~((state and))~~ public employees may agree to a reduction of salary on a pretax basis to participate in the dependent care assistance program, medical flexible spending arrangement, or premium payment plan offered pursuant to 26 U.S.C. Sec. 125 or other sections of the internal revenue code.

~~((21) "School employees' benefits board" means the board established in RCW 41.05.740.)~~

(22) "School employees' benefits board ~~((participating))~~ organization" means a public school district or educational service district or charter school established under chapter 28A.710 RCW that ~~((participates))~~ is required to participate in benefit plans provided by the school employees' benefits board.

(23) "School year" means school year as defined in RCW 28A.150.203(11).

(24) "Seasonal employee" means a state employee hired to work during a recurring, annual season with a duration of three months or more, and anticipated to return each season to perform similar work.

~~((24))~~ (25) "Separated employees" means persons who separate from employment with an employer as defined in:

(a) RCW 41.32.010(17) on or after July 1, 1996; or

(b) RCW 41.35.010 on or after September 1, 2000; or

(c) RCW 41.40.010 on or after March 1, 2002;

and who are at least age fifty-five and have at least ten years of service under the teachers' retirement system plan 3 as defined in RCW 41.32.010(33), the Washington school employees' retirement system plan 3 as defined in RCW 41.35.010, or the public employees' retirement system plan 3 as defined in RCW 41.40.010.

~~((25))~~ (26) "State purchased health care" or "health care" means medical and health care, pharmaceuticals, and medical equipment purchased with state and federal funds by the department of social and health services, the department of health, the basic health plan, the state health care authority, the department of labor and industries, the department of corrections, the department of veterans affairs, and local school districts.

~~((26))~~ (27) "Tribal government" means an Indian tribal government as defined in section 3(32) of the employee retirement income security act of 1974, as amended, or an agency or instrumentality of the tribal government, that has government offices principally located in this state.

NEW SECTION. Sec. 5. A new section is added to chapter 41.05 RCW to read as follows:

It is the intent of the legislature that the word "board" be read to mean both the school employees' benefits board and the public employees' benefits board throughout this chapter. The use of "board" should be liberally construed to mean both boards, to the extent not in conflict with state or federal law. In no case shall either board be limited from exercising its individual authority as authorized within this chapter.

Sec. 6. RCW 41.05.021 and 2017 3rd sp.s. c 13 s 803 are each amended to read as follows:

(1) The Washington state health care authority is created within the executive branch. The authority shall have a director appointed by the governor, with the consent of the senate. The director shall serve at the pleasure of the governor. The director may employ a deputy director, and such assistant directors and special assistants as may be needed to administer the authority, who shall be exempt from chapter 41.06 RCW, and any additional staff members as are necessary to administer this chapter. The director may delegate any power or duty vested in him or her by law, including authority to make final decisions and enter final orders in hearings conducted under chapter 34.05 RCW. The primary duties of the authority shall be to: Administer insurance benefits for ~~((state))~~ employees, retired or disabled state and school employees, and ~~((subject to school employees' benefits board direction,))~~ school employees; administer the basic health plan pursuant to chapter 70.47 RCW; administer the children's health program pursuant to chapter 74.09 RCW; study state purchased health care programs in order to maximize cost containment in these programs while ensuring access to quality health care; implement state initiatives, joint purchasing strategies, and techniques for efficient administration that have potential application to all state-purchased health services; and administer grants that further the mission and goals of the authority. The authority's duties include, but are not limited to, the following:

(a) To administer health care benefit programs for ~~((state))~~ employees, retired or disabled state and school employees, and ~~((subject to school employees' benefits board direction,))~~ school employees as specifically authorized in RCW 41.05.065 and 41.05.740 and in accordance with the methods described in RCW 41.05.075, 41.05.140, and other provisions of this chapter;

(b) To analyze state purchased health care programs and to explore options for cost containment and delivery alternatives for those programs that are consistent with the purposes of those programs, including, but not limited to:

(i) Creation of economic incentives for the persons for whom the state purchases health care to appropriately utilize and purchase health care services, including the development of flexible benefit plans to offset increases in individual financial responsibility;

(ii) Utilization of provider arrangements that encourage cost containment, including but not limited to prepaid delivery systems, utilization review, and prospective payment methods, and that ensure access to quality care, including assuring reasonable access to local providers, especially for employees and school employees residing in rural areas;

(iii) Coordination of state agency efforts to purchase drugs effectively as provided in RCW 70.14.050;

(iv) Development of recommendations and methods for purchasing medical equipment and supporting services on a volume discount basis;

(v) Development of data systems to obtain utilization data from state purchased health care programs in order to identify cost centers, utilization patterns, provider and hospital practice patterns, and procedure costs, utilizing the information obtained pursuant to RCW 41.05.031; and

(vi) In collaboration with other state agencies that administer state purchased health care programs, private health care purchasers, health care facilities, providers, and carriers:

(A) Use evidence-based medicine principles to develop common performance measures and implement financial incentives in contracts with insuring entities, health care facilities, and providers that:

(I) Reward improvements in health outcomes for individuals with chronic diseases, increased utilization of appropriate preventive health services, and reductions in medical errors; and

(II) Increase, through appropriate incentives to insuring entities, health care facilities, and providers, the adoption and use of information technology that contributes to improved health outcomes, better coordination of care, and decreased medical errors;

(B) Through state health purchasing, reimbursement, or pilot strategies, promote and increase the adoption of health information technology systems, including electronic medical records, by hospitals as defined in RCW 70.41.020, integrated delivery systems, and providers that:

(I) Facilitate diagnosis or treatment;

(II) Reduce unnecessary duplication of medical tests;

(III) Promote efficient electronic physician order entry;

(IV) Increase access to health information for consumers and their providers; and

(V) Improve health outcomes;

(C) Coordinate a strategy for the adoption of health information technology systems using the final health information technology report and recommendations developed under chapter 261, Laws of 2005;

(c) To analyze areas of public and private health care interaction;

(d) To provide information and technical and administrative assistance to the board (~~and the school employees' benefits board~~);

(e) To review and approve or deny applications from counties, municipalities, and other political subdivisions of the state to provide state-sponsored insurance or self-insurance programs to their employees in accordance with the provisions of RCW 41.04.205 and (g) of this subsection, setting the premium contribution for approved groups as outlined in RCW 41.05.050;

(f) To review and approve or deny the application when the governing body of a tribal government applies to transfer their employees to an insurance or self-insurance program administered (~~under this chapter~~) by the public employees' benefits board. In the event of an employee transfer pursuant to this subsection (1)(f), members of the governing body are eligible to be included in such a transfer if the members are authorized by the tribal government to

participate in the insurance program being transferred from and subject to payment by the members of all costs of insurance for the members. The authority shall: (i) Establish the conditions for participation; (ii) have the sole right to reject the application; and (iii) set the premium contribution for approved groups as outlined in RCW 41.05.050. Approval of the application by the authority transfers the employees and dependents involved to the insurance, self-insurance, or health care program ~~((approved by the authority))~~ administered by the public employees' benefits board;

(g) To ensure the continued status of the employee insurance or self-insurance programs administered under this chapter as a governmental plan under section 3(32) of the employee retirement income security act of 1974, as amended, the authority shall limit the participation of employees of a county, municipal, school district, educational service district, or other political subdivision, the Washington health benefit exchange, or a tribal government, including providing for the participation of those employees whose services are substantially all in the performance of essential governmental functions, but not in the performance of commercial activities. Charter schools established under chapter 28A.710 RCW are employers and are school employees' benefits board organizations unless:

(i) The authority receives guidance from the internal revenue service or the United States department of labor that participation jeopardizes the status of plans offered under this chapter as governmental plans under the federal employees' retirement income security act or the internal revenue code; or

(ii) The charter schools are not in compliance with regulations issued by the internal revenue service and the United States treasury department pertaining to section 414(d) of the federal internal revenue code;

(h) To establish billing procedures and collect funds from school ~~((districts))~~ employees' benefits board organizations in a way that minimizes the administrative burden on districts;

(i) Through December 31, 2019, to publish and distribute to nonparticipating school districts and educational service districts by October 1st of each year a description of health care benefit plans available through the authority and the estimated cost if school districts and educational service district employees were enrolled;

(j) To apply for, receive, and accept grants, gifts, and other payments, including property and service, from any governmental or other public or private entity or person, and make arrangements as to the use of these receipts to implement initiatives and strategies developed under this section;

(k) To issue, distribute, and administer grants that further the mission and goals of the authority;

(l) To adopt rules consistent with this chapter as described in RCW 41.05.160 including, but not limited to:

(i) Setting forth the criteria established by the public employees' benefits board under RCW 41.05.065, and by the school employees' benefits board under RCW 41.05.740, for determining whether an employee or school employee is eligible for benefits;

(ii) Establishing an appeal process in accordance with chapter 34.05 RCW by which an employee or school employee may appeal an eligibility determination;

(iii) Establishing a process to assure that the eligibility determinations of an employing agency comply with the criteria under this chapter, including the imposition of penalties as may be authorized by the board (~~(or the school employees' benefits board)~~);

(m)(i) To administer the medical services programs established under chapter 74.09 RCW as the designated single state agency for purposes of Title XIX of the federal social security act;

(ii) To administer the state children's health insurance program under chapter 74.09 RCW for purposes of Title XXI of the federal social security act;

(iii) To enter into agreements with the department of social and health services for administration of medical care services programs under Titles XIX and XXI of the social security act. The agreements shall establish the division of responsibilities between the authority and the department with respect to mental health, chemical dependency, and long-term care services, including services for persons with developmental disabilities. The agreements shall be revised as necessary, to comply with the final implementation plan adopted under section 116, chapter 15, Laws of 2011 1st sp. sess.;

(iv) To adopt rules to carry out the purposes of chapter 74.09 RCW;

(v) To appoint such advisory committees or councils as may be required by any federal statute or regulation as a condition to the receipt of federal funds by the authority. The director may appoint statewide committees or councils in the following subject areas: (A) Health facilities; (B) children and youth services; (C) blind services; (D) medical and health care; (E) drug abuse and alcoholism; (F) rehabilitative services; and (G) such other subject matters as are or come within the authority's responsibilities. The statewide councils shall have representation from both major political parties and shall have substantial consumer representation. Such committees or councils shall be constituted as required by federal law or as the director in his or her discretion may determine. The members of the committees or councils shall hold office for three years except in the case of a vacancy, in which event appointment shall be only for the remainder of the unexpired term for which the vacancy occurs. No member shall serve more than two consecutive terms. Members of such state advisory committees or councils may be paid their travel expenses in accordance with RCW 43.03.050 and 43.03.060 as now existing or hereafter amended;

(n) To review and approve or deny the application from the governing board of the Washington health benefit exchange to provide public employees' benefits board state-sponsored insurance or self-insurance programs to employees of the exchange. The authority shall (i) establish the conditions for participation; (ii) have the sole right to reject an application; and (iii) set the premium contribution for approved groups as outlined in RCW 41.05.050.

(2) On and after January 1, 1996, the public employees' benefits board and the school employees' benefits board beginning October 1, 2017, may implement strategies to promote managed competition among employee and school employee health benefit plans. Strategies may include but are not limited to:

- (a) Standardizing the benefit package;
- (b) Soliciting competitive bids for the benefit package;
- (c) Limiting the state's contribution to a percent of the lowest priced qualified plan within a geographical area;

(d) Monitoring the impact of the approach under this subsection with regards to: Efficiencies in health service delivery, cost shifts to subscribers, access to and choice of managed care plans statewide, and quality of health services. The health care authority shall also advise on the value of administering a benchmark employer-managed plan to promote competition among managed care plans.

Sec. 7. RCW 41.05.022 and 2017 3rd sp.s. c 13 s 804 are each amended to read as follows:

(1) The health care authority is hereby designated as the single state agent for purchasing health services.

(2) On and after January 1, 1995, at least the following state-purchased health services programs shall be merged into a single, community-rated risk pool: Health benefits for groups of employees of school districts and educational service districts that voluntarily purchase health benefits as provided in RCW 41.05.011 through December 31, 2019; health benefits for ((state)) employees; health benefits for eligible retired or disabled school employees not eligible for parts A and B of medicare; and health benefits for eligible state retirees not eligible for parts A and B of medicare.

(3) On and after January 1, 2020, health benefits for groups of school employees of ((school districts and educational service districts)) school employees' benefits board organizations shall be merged into a single, community-rated risk pool separate and distinct from the pool described in subsection (2) of this section.

(4) By December 15, 2018, the health care authority, in consultation with the ((public employees' benefits board and the school employees' benefits)) board, shall submit to the appropriate committees of the legislature a complete analysis of the most appropriate risk pool for the retired and disabled school employees, to include at a minimum an analysis of the size of the nonmedicare and medicare retiree enrollment pools, the impacts on cost for state and school district retirees of moving retirees from one pool to another, the need for and the amount of an ongoing retiree subsidy allocation from the active school employees, and the timing and suggested approach for a transition from one risk pool to another.

(5) At a minimum, and regardless of other legislative enactments, the state health services purchasing agent shall:

(a) Require that a public agency that provides subsidies for a substantial portion of services now covered under the basic health plan use uniform eligibility processes, insofar as may be possible, and ensure that multiple eligibility determinations are not required;

(b) Require that a health care provider or a health care facility that receives funds from a public program provide care to state residents receiving a state subsidy who may wish to receive care from them, and that an insuring entity that receives funds from a public program accept enrollment from state residents receiving a state subsidy who may wish to enroll with them;

(c) Strive to integrate purchasing for all publicly sponsored health services in order to maximize the cost control potential and promote the most efficient methods of financing and coordinating services;

(d) Consult regularly with the governor, the legislature, and state agency directors whose operations are affected by the implementation of this section; and

(e) Ensure the control of benefit costs under managed competition by adopting rules to prevent ~~((employers))~~ an employing agency from entering into an agreement with employees or employee organizations when the agreement would result in increased utilization in ~~((public employees' benefits board or school employees' benefits))~~ board plans or reduce the expected savings of managed competition.

Sec. 8. RCW 41.05.023 and 2007 c 259 s 6 are each amended to read as follows:

(1) The health care authority, in collaboration with the department of health, shall design and implement a chronic care management program for ~~((state))~~ employees and school employees enrolled in the state's self-insured uniform medical plan. Programs must be evidence based, facilitating the use of information technology to improve quality of care and must improve coordination of primary, acute, and long-term care for those enrollees with multiple chronic conditions. The authority shall consider expansion of existing medical home and chronic care management programs. The authority shall use best practices in identifying those employees and school employees best served under a chronic care management model using predictive modeling through claims or other health risk information.

(2) For purposes of this section:

(a) "Medical home" means a site of care that provides comprehensive preventive and coordinated care centered on the patient needs and assures high-quality, accessible, and efficient care.

(b) "Chronic care management" means the authority's program that provides care management and coordination activities for health plan enrollees determined to be at risk for high medical costs. "Chronic care management" provides education and training and/or coordination that assist program participants in improving self-management skills to improve health outcomes and reduce medical costs by educating clients to better utilize services.

Sec. 9. RCW 41.05.026 and 2017 3rd sp.s. c 13 s 805 are each amended to read as follows:

(1) When soliciting proposals for the purpose of awarding contracts for goods or services, the director shall, upon written request by the bidder, exempt from public inspection and copying such proprietary data, trade secrets, or other information contained in the bidder's proposal that relate to the bidder's unique methods of conducting business or of determining prices or premium rates to be charged for services under terms of the proposal.

(2) When soliciting information for the development, acquisition, or implementation of state purchased health care services, the director shall, upon written request by the respondent, exempt from public inspection and copying such proprietary data, trade secrets, or other information submitted by the respondent that relate to the respondent's unique methods of conducting business, data unique to the product or services of the respondent, or to determining prices or rates to be charged for services.

(3) Actuarial formulas, statistics, cost and utilization data, or other proprietary information submitted upon request of the director, board, (~~(school employees' benefits board,)~~) or a technical review committee created to facilitate the development, acquisition, or implementation of state purchased health care under this chapter by a contracting insurer, health care service contractor, health maintenance organization, vendor, or other health services organization may be withheld at any time from public inspection when necessary to preserve trade secrets or prevent unfair competition.

(4) The board(~~(school employees' benefits board,)~~) or a technical review committee created to facilitate the development, acquisition, or implementation of state purchased health care under this chapter, may hold an executive session in accordance with chapter 42.30 RCW during any regular or special meeting to discuss information submitted in accordance with subsections (1) through (3) of this section.

(5) A person who challenges a request for or designation of information as exempt under this section is entitled to seek judicial review pursuant to chapter 42.56 RCW.

Sec. 10. RCW 41.05.050 and 2017 3rd sp.s. c 13 s 806 are each amended to read as follows:

(1) Every: (a) Department, division, or separate agency of state government; (b) county, municipal, school district, educational service district, or other political subdivisions; and (c) tribal governments as are covered by this chapter, shall provide contributions to insurance and health care plans for its employees and their dependents, the content of such plans to be determined by the authority. Contributions, paid by the county, the municipality, other political subdivision, or a tribal government for their employees, shall include an amount determined by the authority to pay such administrative expenses of the authority as are necessary to administer the plans for employees of those groups, except as provided in subsection (4) of this section.

(2) To account for increased cost of benefits for the state and for state employees, the authority may develop a rate surcharge applicable to participating counties, municipalities, other political subdivisions, and tribal governments.

(3) The contributions of any: (a) Department, division, or separate agency of the state government; (b) county, municipal, or other political subdivisions; (c) any tribal government as are covered by this chapter; and (d) school districts (~~and~~), educational service districts, and charter schools, shall be set by the authority, subject to the approval of the governor for availability of funds as specifically appropriated by the legislature for that purpose. Insurance and health care contributions for ferry employees shall be governed by RCW 47.64.270.

(4)(a) Until January 1, 2020, the authority shall collect from each participating school district and educational service district an amount equal to the composite rate charged to state agencies, plus an amount equal to the employee premiums by plan and family size as would be charged to (~~state~~) employees, for groups of school district and educational service district employees enrolled in authority plans. The authority may collect these amounts in accordance with the school district or educational service district fiscal year, as described in RCW 28A.505.030.

(b) For all groups of school district or educational service district employees enrolling in authority plans for the first time after September 1, 2003, and until January 1, 2020, the authority shall collect from each participating school district or educational service district an amount equal to the composite rate charged to state agencies, plus an amount equal to the employee premiums by plan and by family size as would be charged to ~~((state))~~ employees, only if the authority determines that this method of billing the school districts and educational service districts will not result in a material difference between revenues from school districts and educational service districts and expenditures made by the authority on behalf of school districts and educational service districts and their employees. The authority may collect these amounts in accordance with the school district or educational service district fiscal year, as described in RCW 28A.505.030.

(c) Until January 1, 2020, if the authority determines at any time that the conditions in (b) of this subsection cannot be met, the authority shall offer enrollment to additional groups of ~~((district))~~ school and educational service district employees on a tiered rate structure until such time as the authority determines there would be no material difference between revenues and expenditures under a composite rate structure for all ~~((district))~~ school and educational service district employees enrolled in authority plans.

(d) Beginning January 1, 2020, all school districts ~~((and))~~, educational service districts, and charter schools shall commence participation in the school employees' benefits board program established under RCW 41.05.740. All school districts ~~((and))~~, educational service districts, charter schools, and all school district employee groups participating in the public employees' benefits board plans before January 1, 2020, shall thereafter participate in the school employees' benefits board program administered by the authority. All school districts, educational service districts, and charter schools shall provide contributions to the authority for insurance and health care plans for school employees and their dependents. These contributions must be provided to the authority for all eligible school employees eligible for benefits under RCW 41.05.740(6)(d), including school employees who have waived their coverage; contributions to the authority are not required for individuals eligible for benefits under RCW 41.05.740(6)(e) who waive their coverage.

(e) For the purposes of this subsection~~((:~~

(i) "District" means school district and educational service district; and

~~((ii))~~, "tiered rates" means the amounts the authority must pay to insuring entities by plan and by family size.

(f) Notwithstanding this subsection and RCW 41.05.065(4), the authority may allow school districts and educational service districts enrolled on a tiered rate structure prior to September 1, 2002, and until January 1, 2020, to continue participation based on the same rate structure and under the same conditions and eligibility criteria.

(5) The authority shall transmit a recommendation for the amount of the employer contributions to the governor and the director of financial management for inclusion in the proposed budgets submitted to the legislature.

Sec. 11. RCW 41.05.055 and 2017 3rd sp.s. c 13 s 807 are each amended to read as follows:

(1) The public employees' benefits board is created within the authority. The function of the public employees' benefits board is to design and approve insurance benefit plans for employees and to establish eligibility criteria for participation in insurance benefit plans.

(2) The public employees' benefits board shall be composed of nine members through December 31, 2019, and of eight members thereafter, appointed by the governor as follows:

(a) Two representatives of state employees, one of whom shall represent an employee union certified as exclusive representative of at least one bargaining unit of classified employees, and one of whom is retired, is covered by a program under the jurisdiction of the public employees' benefits board, and represents an organized group of retired public employees;

(b) Through December 31, 2019, two representatives of school district employees, one of whom shall represent an association of school employees as a nonvoting member, and one of whom is retired, and represents an organized group of retired school employees. Thereafter, and only while retired school employees are served by the public employees' benefits board, only the retired representative shall serve on the public employees' benefits board;

(c) Four members with experience in health benefit management and cost containment, one of whom shall be a nonvoting member; and

(d) The director.

(3) The governor shall appoint the initial members of the public employees' benefits board to staggered terms not to exceed four years. Members appointed thereafter shall serve two-year terms. Members of the public employees' benefits board shall be compensated in accordance with RCW 43.03.250 and shall be reimbursed for their travel expenses while on official business in accordance with RCW 43.03.050 and 43.03.060. The public employees' benefits board shall prescribe rules for the conduct of its business. The director shall serve as chair of the public employees' benefits board. Meetings of the public employees' benefits board shall be at the call of the chair.

Sec. 12. RCW 41.05.065 and 2015 c 116 s 3 are each amended to read as follows:

(1) The public employees' benefits board shall study all matters connected with the provision of health care coverage, life insurance, liability insurance, accidental death and dismemberment insurance, and disability income insurance or any of, or a combination of, the enumerated types of insurance for employees and their dependents on the best basis possible with relation both to the welfare of the employees and to the state. However, liability insurance shall not be made available to dependents.

(2) The public employees' benefits board shall develop employee benefit plans that include comprehensive health care benefits for employees. In developing these plans, the public employees' benefits board shall consider the following elements:

(a) Methods of maximizing cost containment while ensuring access to quality health care;

(b) Development of provider arrangements that encourage cost containment and ensure access to quality care, including but not limited to prepaid delivery systems and prospective payment methods;

(c) Wellness incentives that focus on proven strategies, such as smoking cessation, injury and accident prevention, reduction of alcohol misuse, appropriate weight reduction, exercise, automobile and motorcycle safety, blood cholesterol reduction, and nutrition education;

(d) Utilization review procedures including, but not limited to a cost-efficient method for prior authorization of services, hospital inpatient length of stay review, requirements for use of outpatient surgeries and second opinions for surgeries, review of invoices or claims submitted by service providers, and performance audit of providers;

(e) Effective coordination of benefits; and

(f) Minimum standards for insuring entities.

(3) To maintain the comprehensive nature of employee health care benefits, benefits provided to employees shall be substantially equivalent to the state employees' health benefit((s)) plan in effect on January 1, 1993. Nothing in this subsection shall prohibit changes or increases in employee point-of-service payments or employee premium payments for benefits or the administration of a high deductible health plan in conjunction with a health savings account. The public employees' benefits board may establish employee eligibility criteria which are not substantially equivalent to employee eligibility criteria in effect on January 1, 1993.

(4) Except if bargained for under chapter 41.80 RCW, the public employees' benefits board shall design benefits and determine the terms and conditions of employee and retired or disabled school employee participation and coverage, including establishment of eligibility criteria subject to the requirements of this chapter. Employer groups obtaining benefits through contractual agreement with the authority for employees defined in RCW 41.05.011(6)(a) (i) through ((4)) (vi) may contractually agree with the authority to benefits eligibility criteria which differs from that determined by the public employees' benefits board. The eligibility criteria established by the public employees' benefits board shall be no more restrictive than the following:

(a) Except as provided in (b) through (e) of this subsection, an employee is eligible for benefits from the date of employment if the employing agency anticipates he or she will work an average of at least eighty hours per month and for at least eight hours in each month for more than six consecutive months. An employee determined ineligible for benefits at the beginning of his or her employment shall become eligible in the following circumstances:

(i) An employee who works an average of at least eighty hours per month and for at least eight hours in each month and whose anticipated duration of employment is revised from less than or equal to six consecutive months to more than six consecutive months becomes eligible when the revision is made.

(ii) An employee who works an average of at least eighty hours per month over a period of six consecutive months and for at least eight hours in each of those six consecutive months becomes eligible at the first of the month following the six-month averaging period.

(b) A seasonal employee is eligible for benefits from the date of employment if the employing agency anticipates that he or she will work an average of at least eighty hours per month and for at least eight hours in each month of the season. A seasonal employee determined ineligible at the beginning of his or her employment who works an average of at least eighty

hours per month over a period of six consecutive months and at least eight hours in each of those six consecutive months becomes eligible at the first of the month following the six-month averaging period. A benefits-eligible seasonal employee who works a season of less than nine months shall not be eligible for the employer contribution during the off season, but may continue enrollment in benefits during the off season by self-paying for the benefits. A benefits-eligible seasonal employee who works a season of nine months or more is eligible for the employer contribution through the off season following each season worked.

(c) Faculty are eligible as follows:

(i) Faculty who the employing agency anticipates will work half-time or more for the entire instructional year or equivalent nine-month period are eligible for benefits from the date of employment. Eligibility shall continue until the beginning of the first full month of the next instructional year, unless the employment relationship is terminated, in which case eligibility shall cease the first month following the notice of termination or the effective date of the termination, whichever is later.

(ii) Faculty who the employing agency anticipates will not work for the entire instructional year or equivalent nine-month period are eligible for benefits at the beginning of the second consecutive quarter or semester of employment in which he or she is anticipated to work, or has actually worked, half-time or more. Such an employee shall continue to receive uninterrupted employer contributions for benefits if the employee works at least half-time in a quarter or semester. Faculty who the employing agency anticipates will not work for the entire instructional year or equivalent nine-month period, but who actually work half-time or more throughout the entire instructional year, are eligible for summer or off-quarter or off-semester coverage. Faculty who have met the criteria of this subsection (4)(c)(ii), who work at least two quarters or two semesters of the academic year with an average academic year workload of half-time or more for three quarters or two semesters of the academic year, and who have worked an average of half-time or more in each of the two preceding academic years shall continue to receive uninterrupted employer contributions for benefits if he or she works at least half-time in a quarter or semester or works two quarters or two semesters of the academic year with an average academic workload each academic year of half-time or more for three quarters or two semesters. Eligibility under this section ceases immediately if this criteria is not met.

(iii) Faculty may establish or maintain eligibility for benefits by working for more than one institution of higher education. When faculty work for more than one institution of higher education, those institutions shall prorate the employer contribution costs, or if eligibility is reached through one institution, that institution will pay the full employer contribution. Faculty working for more than one institution must alert his or her employers to his or her potential eligibility in order to establish eligibility.

(iv) The employing agency must provide written notice to faculty who are potentially eligible for benefits under this subsection (4)(c) of their potential eligibility.

(v) To be eligible for maintenance of benefits through averaging under (c)(ii) of this subsection, faculty must provide written notification to his or her employing agency or agencies of his or her potential eligibility.

(vi) For the purposes of this subsection (4)(c):

(A) "Academic year" means summer, fall, winter, and spring quarters or summer, fall, and spring semesters;

(B) "Half-time" means one-half of the full-time academic workload as determined by each institution; except that for community and technical college faculty, half-time academic workload is calculated according to RCW 28B.50.489.

(d) A legislator is eligible for benefits on the date his or her term begins. All other elected and full-time appointed officials of the legislative and executive branches of state government are eligible for benefits on the date his or her term begins or they take the oath of office, whichever occurs first.

(e) A justice of the supreme court and judges of the court of appeals and the superior courts become eligible for benefits on the date he or she takes the oath of office.

(f) Except as provided in (c)(i) and (ii) of this subsection, eligibility ceases for any employee the first of the month following termination of the employment relationship.

(g) In determining eligibility under this section, the employing agency may disregard training hours, standby hours, or temporary changes in work hours as determined by the authority under this section.

(h) Insurance coverage for all eligible employees begins on the first day of the month following the date when eligibility for benefits is established. If the date eligibility is established is the first working day of a month, insurance coverage begins on that date.

(i) Eligibility for an employee whose work circumstances are described by more than one of the eligibility categories in (a) through (e) of this subsection shall be determined solely by the criteria of the category that most closely describes the employee's work circumstances.

(j) Except for an employee eligible for benefits under (b) or (c)(ii) of this subsection, an employee who has established eligibility for benefits under this section shall remain eligible for benefits each month in which he or she is in pay status for eight or more hours, if (i) he or she remains in a benefits-eligible position and (ii) leave from the benefits-eligible position is approved by the employing agency. A benefits-eligible seasonal employee is eligible for the employer contribution in any month of his or her season in which he or she is in pay status eight or more hours during that month. Eligibility ends if these conditions are not met, the employment relationship is terminated, or the employee voluntarily transfers to a noneligible position.

(k) For the purposes of this subsection, the public employees' benefits board shall define "benefits-eligible position."

(5) The public employees' benefits board may authorize premium contributions for an employee and the employee's dependents in a manner that encourages the use of cost-efficient managed health care systems.

(6)(a) For any open enrollment period following August 24, 2011, the public employees' benefits board shall offer a health savings account option for employees that conforms to section 223, Part VII of subchapter B of chapter 1 of the internal revenue code of 1986. The public employees' benefits board shall comply with all applicable federal standards related to the establishment of health savings accounts.

(b) By November 30, 2015, and each year thereafter, the authority shall submit a report to the relevant legislative policy and fiscal committees that includes the following:

(i) Public employees' benefits board health plan cost and service utilization trends for the previous three years, in total and for each health plan offered to employees;

(ii) For each health plan offered to employees, the number and percentage of employees and dependents enrolled in the plan, and the age and gender demographics of enrollees in each plan;

(iii) Any impact of enrollment in alternatives to the most comprehensive plan, including the high deductible health plan with a health savings account, upon the cost of health benefits for those employees who have chosen to remain enrolled in the most comprehensive plan.

(7) Notwithstanding any other provision of this chapter, for any open enrollment period following August 24, 2011, the public employees' benefits board shall offer a high deductible health plan in conjunction with a health savings account developed under subsection (6) of this section.

(8) Employees shall choose participation in one of the health care benefit plans developed by the public employees' benefits board and may be permitted to waive coverage under terms and conditions established by the public employees' benefits board.

(9) The public employees' benefits board shall review plans proposed by insuring entities that desire to offer property insurance and/or accident and casualty insurance to state employees through payroll deduction. The public employees' benefits board may approve any such plan for payroll deduction by insuring entities holding a valid certificate of authority in the state of Washington and which the public employees' benefits board determines to be in the best interests of employees and the state. The public employees' benefits board shall adopt rules setting forth criteria by which it shall evaluate the plans.

(10) Before January 1, 1998, the public employees' benefits board shall make available one or more fully insured long-term care insurance plans that comply with the requirements of chapter 48.84 RCW. Such programs shall be made available to eligible employees, retired employees, and retired school employees as well as eligible dependents which, for the purpose of this section, includes the parents of the employee or retiree and the parents of the spouse of the employee or retiree. Employees of local governments, political subdivisions, and tribal governments not otherwise enrolled in the public employees' benefits board sponsored medical programs may enroll under terms and conditions established by the ((~~administrator~~) director, if it does not jeopardize the financial viability of the public employees' benefits board's long-term care offering.

(a) Participation of eligible employees or retired employees and retired school employees in any long-term care insurance plan made available by the public employees' benefits board is voluntary and shall not be subject to binding arbitration under chapter 41.56 RCW. Participation is subject to reasonable underwriting guidelines and eligibility rules established by the public employees' benefits board and the health care authority.

(b) The employee, retired employee, and retired school employee are solely responsible for the payment of the premium rates developed by the health care

authority. The health care authority is authorized to charge a reasonable administrative fee in addition to the premium charged by the long-term care insurer, which shall include the health care authority's cost of administration, marketing, and consumer education materials prepared by the health care authority and the office of the insurance commissioner.

(c) To the extent administratively possible, the state shall establish an automatic payroll or pension deduction system for the payment of the long-term care insurance premiums.

(d) The public employees' benefits board and the health care authority shall establish a technical advisory committee to provide advice in the development of the benefit design and establishment of underwriting guidelines and eligibility rules. The committee shall also advise the public employees' benefits board and authority on effective and cost-effective ways to market and distribute the long-term care product. The technical advisory committee shall be comprised, at a minimum, of representatives of the office of the insurance commissioner, providers of long-term care services, licensed insurance agents with expertise in long-term care insurance, employees, retired employees, retired school employees, and other interested parties determined to be appropriate by the public employees' benefits board.

(e) The health care authority shall offer employees, retired employees, and retired school employees the option of purchasing long-term care insurance through licensed agents or brokers appointed by the long-term care insurer. The authority, in consultation with the public employees' benefits board, shall establish marketing procedures and may consider all premium components as a part of the contract negotiations with the long-term care insurer.

(f) In developing the long-term care insurance benefit designs, the public employees' benefits board shall include an alternative plan of care benefit, including adult day services, as approved by the office of the insurance commissioner.

(g) The health care authority, with the cooperation of the office of the insurance commissioner, shall develop a consumer education program for the eligible employees, retired employees, and retired school employees designed to provide education on the potential need for long-term care, methods of financing long-term care, and the availability of long-term care insurance products including the products offered by the public employees' benefits board.

(11) The public employees' benefits board may establish penalties to be imposed by the authority when the eligibility determinations of an employing agency fail to comply with the criteria under this chapter.

Sec. 13. RCW 41.05.066 and 2015 c 116 s 4 are each amended to read as follows:

A certificate of domestic partnership qualified under the provisions of RCW 26.60.030 shall be recognized as evidence of a qualified domestic partnership fulfilling all necessary eligibility criteria for the partner of the employee or school employee to receive benefits. Nothing in this section affects the requirements of domestic partners to complete documentation related to federal tax status that may currently be required by the board for employees or school employees choosing to make premium payments on a pretax basis.

Sec. 14. RCW 41.05.075 and 2017 3rd sp.s. c 13 s 808 are each amended to read as follows:

(1) The director shall provide benefit plans designed by the board (~~(and the school employees' benefits board)~~) through a contract or contracts with insuring entities, through self-funding, self-insurance, or other methods of providing insurance coverage authorized by RCW 41.05.140. The process of contracting for plans offered by the school employees' benefits board is subject to (~~(oversight)~~) insight and direction by the school employees' benefits board.

(2) The director(~~(, subject to school employees' benefits board direction for plans offered to school employees,)~~) shall establish a contract bidding process that:

(a) Encourages competition among insuring entities;

(b) Maintains an equitable relationship between premiums charged for similar benefits and between risk pools including premiums charged for retired state and school district employees under the separate risk pools established by RCW 41.05.022 and 41.05.080 such that insuring entities may not avoid risk when establishing the premium rates for retirees eligible for medicare;

(c) Is timely to the state budgetary process; and

(d) Sets conditions for awarding contracts to any insuring entity.

(3) (~~(School districts directly providing medical and dental benefits plans and contracted insuring entities providing medical and dental benefits plans to school districts on December 31, 2017,)~~) The entities described in RCW 28A.400.275(2) shall provide the school employees' benefits board and authority specified data by (~~(January 1, 2019)~~) April 1, 2018, in a format to be determined by the authority, to support an initial benefits plans procurement. At a minimum, the data must cover the period January 1, 2014, through (~~(August 1, 2018)~~) December 31, 2017, and include:

(a) A summary of the benefit packages offered to each group of (~~(district)~~) school employees, including covered benefits, point-of-service cost-sharing, member count, and the group policy number;

(b) Aggregated subscriber and member demographic information, including age band and gender, by insurance tier by month and by benefit packages;

(c) Monthly total by benefit package, including premiums paid, inpatient facility claims paid, outpatient facility claims paid, physician claims paid, pharmacy claims paid, capitation amounts paid, and other claims paid;

(d) A listing for calendar years 2014 through 2017 of large claims defined as annual amounts paid in excess of one hundred thousand dollars including the amount paid, the member enrollment status, and the primary diagnosis; (~~(and)~~)

(e) A listing of calendar year (~~(2018)~~) 2017 allowed claims by provider entity; and

(f) All data needed for design, procurement, rate setting, and administration of all school employees' benefits board benefits.

Any data that may be confidential and contain personal health information may be protected in accordance with a data-sharing agreement.

(4) The director shall establish a requirement for review of utilization and financial data from participating insuring entities on a quarterly basis.

(5) The director shall centralize the enrollment files for all employee, school employee, and retired or disabled school employee health plans offered under

chapter 41.05 RCW and develop enrollment demographics on a plan-specific basis.

(6) All claims data shall be the property of the state. The director may require of any insuring entity that submits a bid to contract for coverage all information deemed necessary including:

(a) Subscriber or member demographic and claims data necessary for risk assessment and adjustment calculations in order to fulfill the director's duties as set forth in this chapter; and

(b) Subscriber or member demographic and claims data necessary to implement performance measures or financial incentives related to performance under subsection (8) of this section.

(7) All contracts with insuring entities for the provision of health care benefits shall provide that the beneficiaries of such benefit plans may use on an equal participation basis the services of practitioners licensed pursuant to chapters 18.22, 18.25, 18.32, 18.53, 18.57, 18.71, 18.74, 18.83, and 18.79 RCW, as it applies to registered nurses and advanced registered nurse practitioners. However, nothing in this subsection may preclude the director from establishing appropriate utilization controls approved pursuant to RCW 41.05.065(2) (a), (b), and (d).

(8) The director shall, in collaboration with other state agencies that administer state purchased health care programs, private health care purchasers, health care facilities, providers, and carriers:

(a) Use evidence-based medicine principles to develop common performance measures and implement financial incentives in contracts with insuring entities, health care facilities, and providers that:

(i) Reward improvements in health outcomes for individuals with chronic diseases, increased utilization of appropriate preventive health services, and reductions in medical errors; and

(ii) Increase, through appropriate incentives to insuring entities, health care facilities, and providers, the adoption and use of information technology that contributes to improved health outcomes, better coordination of care, and decreased medical errors;

(b) Through state health purchasing, reimbursement, or pilot strategies, promote and increase the adoption of health information technology systems, including electronic medical records, by hospitals as defined in RCW 70.41.020, integrated delivery systems, and providers that:

(i) Facilitate diagnosis or treatment;

(ii) Reduce unnecessary duplication of medical tests;

(iii) Promote efficient electronic physician order entry;

(iv) Increase access to health information for consumers and their providers;

and

(v) Improve health outcomes;

(c) Coordinate a strategy for the adoption of health information technology systems using the final health information technology report and recommendations developed under chapter 261, Laws of 2005.

(9) The director may permit the Washington state health insurance pool to contract to utilize any network maintained by the authority or any network under contract with the authority.

Sec. 15. RCW 41.05.080 and 2015 c 116 s 5 are each amended to read as follows:

(1) Under the qualifications, terms, conditions, and benefits set by the public employees' benefits board:

(a) Retired or disabled state employees, retired or disabled school employees, retired or disabled employees of county, municipal, or other political subdivisions, or retired or disabled employees of tribal governments covered by this chapter may continue their participation in insurance plans and contracts after retirement or disablement;

(b) Separated employees may continue their participation in insurance plans and contracts if participation is selected immediately upon separation from employment;

(c) Surviving spouses, surviving state registered domestic partners, and dependent children of emergency service personnel killed in the line of duty may participate in insurance plans and contracts.

(2) Rates charged surviving spouses and surviving state registered domestic partners of emergency service personnel killed in the line of duty, retired or disabled employees, separated employees, spouses, or dependent children who are not eligible for parts A and B of medicare shall be based on the experience of the community rated risk pool established under RCW 41.05.022.

(3) Rates charged to surviving spouses and surviving state registered domestic partners of emergency service personnel killed in the line of duty, retired or disabled employees, separated employees, spouses, or children who are eligible for parts A and B of medicare shall be calculated from a separate experience risk pool comprised only of individuals eligible for parts A and B of medicare; however, the premiums charged to medicare-eligible retirees and disabled employees shall be reduced by the amount of the subsidy provided under RCW 41.05.085.

(4) Surviving spouses, surviving state registered domestic partners, and dependent children of emergency service personnel killed in the line of duty and retired or disabled and separated employees shall be responsible for payment of premium rates developed by the authority which shall include the cost to the authority of providing insurance coverage including any amounts necessary for reserves and administration in accordance with this chapter. These self pay rates will be established based on a separate rate for the employee, the spouse, state registered domestic partners, and the children.

(5) The term "retired state employees" for the purpose of this section shall include but not be limited to members of the legislature whether voluntarily or involuntarily leaving state office.

Sec. 16. RCW 41.05.085 and 2005 c 195 s 3 are each amended to read as follows:

(1) Beginning with the appropriations act for the 2005-2007 biennium, the legislature shall establish as part of both the state employees' and the school and educational service district employees' insurance benefit allocation the portion of the allocation to be used to provide a prescription drug subsidy to reduce the health care insurance premiums charged to retired or disabled school district and educational service district employees, or retired state employees, who are eligible for parts A and B of medicare. The legislature may also establish a separate health care subsidy to reduce insurance premiums charged to

individuals who select a medicare supplemental insurance policy option established in RCW 41.05.195.

(2) The amount of any premium reduction shall be established by the public employees' benefits board. The amount established shall not result in a premium reduction of more than fifty percent, except as provided in subsection (3) of this section. The public employees' benefits board may also determine the amount of any subsidy to be available to spouses and dependents.

(3) The amount of the premium reduction in subsection (2) of this section may exceed fifty percent, if the ~~((administrator))~~ director, in consultation with the office of financial management, determines that it is necessary in order to meet eligibility requirements to participate in the federal employer incentive program as provided in RCW 41.05.068.

Sec. 17. RCW 41.05.140 and 2013 c 251 s 10 are each amended to read as follows:

(1) Except for property and casualty insurance, the authority may self-fund, self-insure, or enter into other methods of providing insurance coverage for insurance programs under its jurisdiction, including the basic health plan as provided in chapter 70.47 RCW. The authority shall contract for payment of claims or other administrative services for programs under its jurisdiction. If a program does not require the prepayment of reserves, the authority shall establish such reserves within a reasonable period of time for the payment of claims as are normally required for that type of insurance under an insured program. The authority shall endeavor to reimburse basic health plan health care providers under this section at rates similar to the average reimbursement rates offered by the statewide benchmark plan determined through the request for proposal process.

(2) Reserves established by the authority for employee and retiree benefit programs shall be held in a separate account in the custody of the state treasurer and shall be known as the public employees' and retirees' insurance reserve fund. The state treasurer may invest the moneys in the reserve fund pursuant to RCW 43.79A.040.

(3) Reserves established by the authority for school employee benefit programs shall be held in a separate account in the custody of the state treasurer and shall be known as the school employees' benefits board insurance reserve fund. The state treasurer may invest the moneys in the reserve fund pursuant to RCW 43.79A.040.

(4) Any savings realized as a result of a program created for employees or school employees and retirees under this section shall not be used to increase benefits unless such use is authorized by statute.

~~((4))~~ (5) Any program created under this section shall be subject to the examination requirements of chapter 48.03 RCW as if the program were a domestic insurer. In conducting an examination, the commissioner shall determine the adequacy of the reserves established for the program.

~~((5))~~ (6) The authority shall keep full and adequate accounts and records of the assets, obligations, transactions, and affairs of any program created under this section.

~~((6))~~ (7) The authority shall file a quarterly statement of the financial condition, transactions, and affairs of any program created under this section in a form and manner prescribed by the insurance commissioner. The statement shall

contain information as required by the commissioner for the type of insurance being offered under the program. A copy of the annual statement shall be filed with the speaker of the house of representatives and the president of the senate.

~~((7))~~ (8) The provisions of this section do not apply to the administration of chapter 74.09 RCW.

Sec. 18. RCW 41.05.225 and 2002 c 71 s 1 are each amended to read as follows:

(1) The public employees' benefits board shall offer a plan of health insurance to blind licensees who are actively operating facilities and participating in the business enterprises program established in RCW 74.18.200 through 74.18.230, and maintained by the department of services for the blind. The plan of health insurance benefits must be the same or substantially similar to the plan of health insurance benefits offered to state employees under this chapter. Enrollment will be at the option of each individual licensee or vendor, under rules established by the public employees' benefits board.

(2) All costs incurred by the state or the public employees' benefits board for providing health insurance coverage to active blind vendors, excluding family participation, under subsection (1) of this section may be paid for from net proceeds from vending machine operations in public buildings under RCW 74.18.230.

(3) Money from the business enterprises program under the federal Randolph-Sheppard Act may not be used for family participation in the health insurance benefits provided under this section. Family insurance benefits are the sole responsibility of the individual blind vendors.

Sec. 19. RCW 41.05.300 and 2008 c 229 s 3 are each amended to read as follows:

(1) The state of Washington may enter into salary reduction agreements with employees and school employees (~~((of the state))~~) pursuant to the internal revenue code, for the purpose of making it possible for employees and school employees (~~((of the state))~~) to select on a "before-tax basis" certain taxable and nontaxable benefits. The purpose of the salary reduction plan established in this chapter is to attract and retain individuals in governmental service by permitting them to enter into agreements with the state to provide for benefits pursuant to 26 U.S.C. Sec. 125, 26 U.S.C. Sec. 129, and other applicable sections of the internal revenue code.

(2) Nothing in the salary reduction plan constitutes an employment agreement between the participant and the state, and nothing contained in the participant's salary reduction agreement, the plan, this section, or RCW 41.05.123, 41.05.310 through 41.05.360, and 41.05.295 gives a participant any right to be retained in state employment.

Sec. 20. RCW 41.05.320 and 2008 c 229 s 5 are each amended to read as follows:

(1) Elected officials and permanent employees and school employees (~~((of the state))~~) are eligible to participate in the salary reduction plan and reduce their salary by agreement with the authority. The authority may adopt rules to: (a) Limit the participation of employing agencies and their employees in the plan; and (b) permit participation in the plan by temporary employees and school employees (~~((of the state))~~).

(2) Persons eligible under subsection (1) of this section may enter into salary reduction agreements with the state.

(3)(a) An eligible person may become a participant of the salary reduction plan for a full plan year with annual benefit plan selection for each new plan year made before the beginning of the plan year, as determined by the authority, or upon becoming eligible.

(b) Once an eligible person elects to participate in the salary reduction plan and determines the amount his or her gross salary shall be reduced and the benefit plan for which the funds are to be used during the plan year, the agreement shall be irrevocable and may not be amended during the plan year except as provided in (c) of this subsection. Prior to making an election to participate in the salary reduction plan, the eligible person shall be informed in writing of all the benefits and reductions that will occur as a result of such election.

(c) The authority shall provide in the salary reduction plan that a participant may enroll, terminate, or change his or her election after the plan year has begun if there is a significant change in a participant's status, as provided by 26 U.S.C. Sec. 125 and the regulations adopted under that section and defined by the authority.

(4) The authority shall establish as part of the salary reduction plan the procedures for and effect of withdrawal from the plan by reason of retirement, death, leave of absence, or termination of employment. To the extent possible under federal law, the authority shall protect participants from forfeiture of rights under the plan.

(5) Any reduction of salary under the salary reduction plan shall not reduce the reportable compensation for the purpose of computing the state retirement and pension benefits earned by the employee or school employee pursuant to chapters 41.26, 41.32, 41.35, 41.37, 41.40, and 43.43 RCW.

Sec. 21. RCW 41.04.205 and 2016 c 67 s 1 are each amended to read as follows:

(1) Notwithstanding the provisions of RCW 41.04.180, the employees, with their dependents, of any county, municipality, or other political subdivision of this state shall be eligible to participate in any insurance or self-insurance program for employees administered under chapter 41.05 RCW if the legislative authority of any such county, municipality, or other political subdivisions of this state determines, subject to collective bargaining under applicable statutes, a transfer to an insurance or self-insurance program administered under chapter 41.05 RCW should be made. In the event of a special district employee transfer pursuant to this section, members of the governing authority shall be eligible to be included in such transfer if such members are authorized by law as of June 25, 1976 to participate in the insurance program being transferred from and subject to payment by such members of all costs of insurance for members.

(2) When the legislative authority of a county, municipality, or other political subdivision determines to so transfer, the state health care authority shall:

(a) Establish the conditions for participation; and

(b) Have the sole right to reject the application, except a group application from a county or other political subdivision of the state with fewer than five thousand employees must be approved.

Approval of the application by the state health care authority shall effect a transfer of the employees involved to the insurance, self-insurance, or health care program applied for.

(3) Any application of this section to members of the law enforcement officers' and firefighters' retirement system under chapter 41.26 RCW is subject to chapter 41.56 RCW.

(4) Until December 31, 2019, school districts may voluntarily transfer to the public employees' benefits board, except that all eligible employees in a bargaining unit of a school district may transfer only as a unit and all nonrepresented employees in a district may transfer only as a unit.

Sec. 22. RCW 28A.400.275 and 2017 3rd sp.s. c 13 s 814 and 2017 3rd sp.s. c 7 s 1 are each reenacted and amended to read as follows:

(1) Any contract or agreement for employee benefits executed after April 13, 1990, between a school district or educational service district and a benefit provider or employee bargaining unit is null and void unless it contains an agreement to abide by state laws relating to school district and educational service district employee benefits. The term of the contract or agreement may not exceed one year, except that the final contract or agreement entered into for the 2018-19 school year must exceed one year only by the months necessary to ensure employee benefits are maintained through December 31, 2019.

(2) ~~((Through December 31, 2019, school districts and their benefit providers shall annually submit, by a date determined by the office of the insurance commissioner, the following information and data for the prior calendar year to the office of the insurance commissioner:~~

~~(a) Progress by the district and its benefit providers toward greater affordability for full family coverage, health care cost savings, and significantly reduced administrative costs;~~

~~(b) Compliance with the requirement to provide a high deductible health plan option with a health savings account;~~

~~(c) An overall plan summary including the following:~~

~~(i) The financial plan structure and overall performance of each health plan including:~~

~~(A) Total premium expenses;~~

~~(B) Total claims expenses;~~

~~(C) Claims reserves; and~~

~~(D) Plan administration expenses, including compensation paid to brokers;~~

~~(ii) A description of the plan's use of innovative health plan features designed to reduce health benefit premium growth and reduce utilization of unnecessary health services including but not limited to the use of enrollee health assessments or health coach services, care management for high cost or high risk enrollees, medical or health home payment mechanisms, and plan features designed to create incentives for improved personal health behaviors;~~

~~(iii) Data to provide an understanding of employee health benefit plan coverage and costs, including: The total number of employees and, for each employee, the employee's full-time equivalent status, types of coverage or benefits received including numbers of covered dependents, the number of eligible dependents, the amount of the district's contribution to premium, additional premium costs paid by the employee through payroll deductions, and the age and sex of the employee and each dependent;~~

~~(iv) Data necessary for school districts to more effectively and competitively manage and procure health insurance plans for employees. The data must include, but not be limited to, the following:~~

~~(A) A summary of the benefit packages offered to each group of district employees, including covered benefits, employee deductibles, coinsurance, and copayments, and the number of employees and their dependents in each benefit package;~~

~~(B) Aggregated employee and dependent demographic information, including age band and gender, by insurance tier and by benefit package;~~

~~(C) Total claim payments by benefit package, including premiums paid, inpatient facility claims paid, outpatient facility claims paid, physician claims paid, pharmacy claims paid, capitation amounts paid, and other claims paid;~~

~~(D) Total premiums paid by benefit package;~~

~~(E) A listing of large claims defined as annual amounts paid in excess of one hundred thousand dollars including the amount paid, the member enrollment status, and the primary diagnosis;~~

~~(F) After December 31, 2018, school districts shall submit such data as required by the school employees' benefits board to administer the consolidated purchasing of health services.~~

~~(3) Through December 31, 2018, school districts and their benefit providers shall jointly report to the office of the insurance commissioner on their health insurance-related efforts and achievements to:~~

~~(a) Significantly reduce administrative costs for school districts;~~

~~(b) Improve customer service;~~

~~(c) Reduce differential plan premium rates between employee only and family health benefit premiums;~~

~~(d) Protect access to coverage for part-time K-12 employees.~~

~~(4) The information and data shall be submitted in a format and according to a schedule established by the office of the insurance commissioner under RCW 48.02.210 to enable the commissioner to meet the reporting obligations under that section.~~

~~(5) Through December 31, 2018,)) School districts, educational service districts, and their benefit providers shall submit data to the health care authority in accordance with RCW 41.05.075(3).~~

~~(3) Any benefit provider offering a benefit plan by contract or agreement with a school district or educational service district under subsection (1) of this section shall make available to the school district or educational service district the benefit plan descriptions and, where available, the demographic information on plan subscribers that the school district, educational service district, and benefit provider are required to report to the ~~((office of the insurance commissioner))~~ health care authority under this section. ~~((After December 31, 2018, a benefit provider shall submit such data to the school employees' benefits board.~~~~

~~(6)) (4) Each school district and educational service district shall:~~

~~(a) Carry out all actions required by the school employees' benefits board and the health care authority under chapter 41.05 RCW including, but not limited to, those necessary for the operation of benefit plans, education of employees, claims administration, and appeals process; and~~

(b) Report all data relating to employees eligible to participate in benefits or plans administered by the school employees' benefits board and the health care authority in a format designed and communicated by the school employees' benefits board and the health care authority.

Sec. 23. RCW 28A.400.350 and 2017 3rd sp.s. c 13 s 816 are each amended to read as follows:

(1) The board of directors of any of the state's school districts or educational service districts may make available medical, dental, vision, liability, life, accident, disability, and salary protection or insurance, direct agreements as defined in chapter 48.150 RCW, or any one of, or a combination of the types of employee benefits enumerated in this subsection, or any other type of insurance or protection, for the members of the boards of directors, the students, and employees of the school district or educational service district, and their dependents. Except as provided in subsection (6) of this section, such coverage may be provided by contracts or agreements with private carriers, with the state health care authority, or through self-insurance or self-funding pursuant to chapter 48.62 RCW, or in any other manner authorized by law. Any direct agreement must comply with RCW 48.150.050.

(2)(a) Whenever funds are available for these purposes the board of directors of the school district or educational service district may contribute all or a part of the cost of such protection or insurance for the employees of their respective school districts or educational service districts and their dependents. The premiums on such liability insurance shall be borne by the school district or educational service district.

(b) After October 1, 1990, school districts may not contribute to any employee protection or insurance other than liability insurance unless the district's employee benefit plan conforms to RCW 28A.400.275 and 28A.400.280.

(c) After December 31, 2019, school district contributions to any employee insurance that is purchased through the health care authority must conform to the requirements established by chapter 41.05 RCW and the school employees' benefits board.

(3) For school board members, educational service district board members, and students, the premiums due on such protection or insurance shall be borne by the assenting school board member, educational service district board member, or student. The school district or educational service district may contribute all or part of the costs, including the premiums, of life, health, health care, accident or disability insurance which shall be offered to all students participating in interschool activities on the behalf of or as representative of their school, school district, or educational service district. The school district board of directors and the educational service district board may require any student participating in extracurricular interschool activities to, as a condition of participation, document evidence of insurance or purchase insurance that will provide adequate coverage, as determined by the school district board of directors or the educational service district board, for medical expenses incurred as a result of injury sustained while participating in the extracurricular activity. In establishing such a requirement, the district shall adopt regulations for waiving or reducing the premiums of such coverage as may be offered through the school district or educational service district to students participating in

extracurricular activities, for those students whose families, by reason of their low income, would have difficulty paying the entire amount of such insurance premiums. The district board shall adopt regulations for waiving or reducing the insurance coverage requirements for low-income students in order to assure such students are not prohibited from participating in extracurricular interschool activities.

(4) All contracts or agreements for insurance or protection written to take advantage of the provisions of this section shall provide that the beneficiaries of such contracts may utilize on an equal participation basis the services of those practitioners licensed pursuant to chapters 18.22, 18.25, 18.53, 18.57, and 18.71 RCW.

(5)(a) Until the creation of the school employees' benefits board under RCW 41.05.740, school districts offering medical, vision, and dental benefits shall:

(i) Offer a high deductible health plan option with a health savings account that conforms to section 223, part VII of subchapter 1 of the internal revenue code of 1986. School districts shall comply with all applicable federal standards related to the establishment of health savings accounts;

(ii) Make progress toward employee premiums that are established to ensure that full family coverage premiums are not more than three times the premiums for employees purchasing single coverage for the same coverage plan, unless a subsequent premium differential target is defined as a result of the review and subsequent actions described in RCW 41.05.655;

(iii) Offer employees at least one health benefit plan that is not a high deductible health plan offered in conjunction with a health savings account in which the employee share of the premium cost for a full-time employee, regardless of whether the employee chooses employee-only coverage or coverage that includes dependents, does not exceed the share of premium cost paid by state employees during the state employee benefits year that started immediately prior to the school year.

(b) All contracts or agreements for employee benefits must be held to responsible contracting standards, meaning a fair, prudent, and accountable competitive procedure for procuring services that includes an open competitive process, except where an open process would compromise cost-effective purchasing, with documentation justifying the approach.

(c) School districts offering medical, vision, and dental benefits shall also make progress on promoting health care innovations and cost savings and significantly reduce administrative costs.

(d) All contracts or agreements for insurance or protection described in this section shall be in compliance with chapter 3, Laws of 2012 2nd sp. sess.

~~((e) Upon notification from the office of the insurance commissioner of a school district's substantial noncompliance with the data reporting requirements of RCW 28A.400.275, and the failure is due to the action or inaction of the school district, and if the noncompliance has occurred for two reporting periods, the superintendent is authorized and required to limit the school district's authority provided in subsection (1) of this section regarding employee health benefits to the provision of health benefit coverage provided by the state health care authority.))~~

(6) The authority to make available basic and optional benefits to school employees under this section expires December 31, 2019. Beginning January 1,

2020, school districts and educational service districts shall make available basic and optional benefits through plans offered by the health care authority and the school employees' benefits board.

NEW SECTION. **Sec. 24.** A new section is added to chapter 28A.710 RCW to read as follows:

(1) A function of the school employees' benefits board established under RCW 41.05.740 is to design and approve insurance benefit plans and to establish eligibility criteria for participation in insurance benefit plans by January 1, 2020. In order for the school employees' benefits board to develop these benefit plans, charter school employees' information must be provided to the school employees' benefits board and the health care authority.

(2) Charter schools and their benefit providers must submit data to the health care authority in accordance with RCW 41.05.075(3).

(3) Any benefit provider offering a benefit plan by contract or agreement with a charter school must make available to the charter school the benefit plan descriptions and, where available, the demographic information on plan subscribers that the charter school and benefit providers are required to report to the health care authority under this section.

(4) Each charter school must:

(a) Carry out all actions required by the school employees' benefits board and the health care authority under chapter 41.05 RCW including, but not limited to, those actions necessary for the operation of benefit plans, education of employees, claims administration, and appeals process; and

(b) Report all data relating to employees eligible to participate in benefits or plans administered by the school employees' benefits board and the health care authority in a format designed and communicated by the school employees' benefits board and the health care authority.

Sec. 25. RCW 41.05.120 and 2017 3rd sp.s. c 13 s 809 are each amended to read as follows:

(1) The public employees' and retirees' insurance account is hereby established in the custody of the state treasurer, to be used by the director for the deposit of contributions, the remittance paid by school districts and educational service districts under RCW 28A.400.410, reserves, dividends, and refunds, for payment of premiums and claims for employee and retiree insurance benefit contracts and subsidy amounts provided under RCW 41.05.085, and transfers from the flexible spending administrative account as authorized in RCW 41.05.123. Moneys from the account shall be disbursed by the state treasurer by warrants on vouchers duly authorized by the director. Moneys from the account may be transferred to the flexible spending administrative account to provide reserves and start-up costs for the operation of the flexible spending administrative account program.

(2) The state treasurer and the state investment board may invest moneys in the public employees' and retirees' insurance account. All such investments shall be in accordance with RCW 43.84.080 or 43.84.150, whichever is applicable. The director shall determine whether the state treasurer or the state investment board or both shall invest moneys in the public employees' and retirees' insurance account.

(3) The school employees' insurance account is hereby established in the custody of the state treasurer, to be used by the director for the deposit of contributions, reserves, dividends, and refunds, for payment of premiums and claims for school employee insurance benefit contracts, and for transfers from the school employees' benefits board flexible spending and dependent care administrative account as authorized in this subsection. Moneys from the account shall be disbursed by the state treasurer by warrants on vouchers duly authorized by the director. Moneys from the account may be transferred to the school employees' benefits board flexible spending and dependent care administrative account to provide reserves and start-up costs for the operation of the school employees' benefits board flexible spending arrangement and dependent care assistance program.

(4) The state treasurer and the state investment board may invest moneys in the school employees' insurance account. These investments must be in accordance with RCW 43.84.080 or 43.84.150, whichever is applicable. The director shall determine whether the state treasurer or the state investment board or both shall invest moneys in the school employees' insurance account.

Sec. 26. RCW 41.05.123 and 2008 c 229 s 6 are each amended to read as follows:

(1) For the public employees' benefits board program, the flexible spending administrative account is created in the custody of the state treasurer.

(a) All receipts from the following must be deposited in the account:

~~((a))~~ (i) Revenues from employing agencies for costs associated with operating the medical flexible spending arrangement program and the dependent care assistance program provided through the salary reduction plan authorized under this chapter; and

~~((b) funds transferred from the dependent care administrative account; and~~

~~(e))~~ (ii) Unclaimed moneys at the end of the plan year after all timely submitted claims for that plan year have been processed. Expenditures from the account may be used only for administrative and other expenses related to operating the medical flexible spending arrangement program and the dependent care assistance program provided through the salary reduction plan authorized under this chapter. Only the ~~((administrator))~~ director or the ~~((administrator's))~~ director's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

~~((2))~~ (b) The salary reduction account is ~~((established in the state treasury))~~ created in the custody of the state treasurer. Employee salary reductions paid to reimburse participants or service providers for benefits provided by the medical flexible spending arrangement program and the dependent care assistance program provided through the salary reduction plan authorized under this chapter shall be paid from the salary reduction account. The funds held by the state to pay for benefits provided by the medical flexible spending arrangement program and the dependent care assistance program provided through the salary reduction plan authorized under this chapter shall be deposited in the salary reduction account. Unclaimed moneys remaining in the salary reduction account at the end of a plan year after all timely submitted claims for that plan year have been processed shall become a part of the flexible spending administrative account. Only the ~~((administrator))~~ director or the

~~((administrator's))~~ director's designee may authorize expenditures from the account. The account is not subject to allotment procedures under chapter 43.88 RCW and an appropriation is not required for expenditures.

~~((3))~~ (c) Program claims reserves and money necessary for start-up costs transferred from the public employees' and retirees' insurance account established in RCW 41.05.120 may be deposited in the flexible spending administrative account. Moneys in excess of the amount necessary for administrative and operating expenses of the medical flexible spending arrangement program may be transferred to the public employees' and retirees' insurance account.

~~((4))~~ (d) The authority may periodically bill employing agencies for costs associated with operating the medical flexible spending arrangement program and the dependent care assistance program provided through the salary reduction plan authorized under this chapter.

(2) For the school employees' benefits board program, the school employees' benefits board flexible spending and dependent care administrative account is created in the custody of the state treasurer.

(a) All receipts from the following must be deposited in the account:

(i) Revenues from school employees' benefits board organizations for costs associated with operating the school employees' benefits board medical flexible spending arrangement program and the school employees' benefits board dependent care assistance program provided through the salary reduction plan authorized under this chapter; and

(ii) Unclaimed moneys at the end of the plan year after all timely submitted claims for that plan year have been processed. Expenditures from the account may be used only for administrative and other expenses related to operating the school employees' benefits board medical flexible spending arrangement program and the school employees' benefits board dependent care assistance program provided through the salary reduction plan authorized under this chapter. Only the director or the director's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

(b) The school employees' benefits board salary reduction account is created in the custody of the state treasurer. School employee salary reductions paid to reimburse participants or service providers for benefits provided by the school employees' benefits board medical flexible spending arrangement program and the school employees' benefits board dependent care assistance program provided through the salary reduction plan authorized under this chapter shall be paid from the school employees' benefits board salary reduction account. The funds held by the state to pay for benefits provided by the school employees' benefits board medical flexible spending arrangement program and the school employees' benefits board dependent care assistance program provided through the salary reduction plan authorized under this chapter shall be deposited in the school employees' benefits board salary reduction account. Unclaimed moneys remaining in the school employees' benefits board salary reduction account at the end of a plan year after all timely submitted claims for that plan year have been processed shall become a part of the school employees' benefits board flexible spending and dependent care administrative account. Only the director or the director's designee may authorize expenditures from the account. The

account is not subject to allotment procedures under chapter 43.88 RCW and an appropriation is not required for expenditures.

(c) Program claims reserves and money necessary for start-up costs transferred from the school employees' insurance account established in RCW 41.05.120 may be deposited in the school employees' benefits board flexible spending and dependent care administrative account. Moneys in excess of the amount necessary for administrative and operating expenses of the school employees' benefits board medical flexible spending arrangement and the school employees' benefits board dependent care assistance program may be transferred to the school employees' insurance account.

(d) The authority may periodically bill school employees' benefits board organizations for costs associated with operating the school employees' benefits board medical flexible spending arrangement program and the school employees' benefits board dependent care assistance program provided through the salary reduction plan authorized under this chapter.

Sec. 27. RCW 41.05.143 and 2017 3rd sp.s. c 13 s 811 are each amended to read as follows:

(1) The uniform medical plan benefits administration account is created in the custody of the state treasurer. Only the director or the director's designee may authorize expenditures from the account. Moneys in the account shall be used exclusively for contracted expenditures for uniform medical plan claims administration, data analysis, utilization management, preferred provider administration, and activities related to benefits administration where the level of services provided pursuant to a contract fluctuate as a direct result of changes in uniform medical plan enrollment. Moneys in the account may also be used for administrative activities required to respond to new and unforeseen conditions that impact the uniform medical plan, but only when the authority and the office of financial management jointly agree that such activities must be initiated prior to the next legislative session.

(2) Receipts from amounts due from or on behalf of uniform medical plan enrollees for expenditures related to benefits administration, including moneys disbursed from the public employees' and retirees' insurance account, shall be deposited into the account. The account is subject to allotment procedures under chapter 43.88 RCW, but no appropriation is required for expenditures. All proposals for allotment increases shall be provided to the house of representatives appropriations committee and to the senate ways and means committee at the same time as they are provided to the office of financial management.

(3) The uniform dental plan benefits administration account is created in the custody of the state treasurer. Only the director or the director's designee may authorize expenditures from the account. Moneys in the account shall be used exclusively for contracted expenditures related to benefits administration for the uniform dental plan as established under RCW 41.05.140. Receipts from amounts due from or on behalf of uniform dental plan enrollees for expenditures related to benefits administration, including moneys disbursed from the public employees' and retirees' insurance account, shall be deposited into the account. The account is subject to allotment procedures under chapter 43.88 RCW, but no appropriation is required for expenditures.

(4) The public employees' benefits board medical benefits administration account is created in the custody of the state treasurer. Only the director or the director's designee may authorize expenditures from the account. Moneys in the account shall be used exclusively for contracted expenditures related to claims administration, data analysis, utilization management, preferred provider administration, and other activities related to benefits administration for self-insured medical plans (~~(other than the uniform medical plan)~~). Receipts from amounts due from or on behalf of enrollees for expenditures related to benefits administration, including moneys disbursed from the public employees' and retirees' insurance account, shall be deposited into the account. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

(5) The school employees' benefits board medical benefits ~~(administration)~~ administrative account is created in the custody of the state treasurer. Only the director or the director's designee may authorize expenditures from the account. Moneys in the account shall be used exclusively for school employees' benefits board contracted expenditures related to claims administration, data analysis, utilization management, preferred provider administration, and other activities related to benefits administration for self-insured medical plans (~~(other than the uniform medical plan)~~). Receipts from amounts due from or on behalf of enrollees for expenditures related to benefits administration, including moneys disbursed from the school employees' insurance account, shall be deposited into the account. The account is subject to allotment procedures under chapter 43.88 RCW, but no appropriation is required for expenditures.

(6) The school employees' benefits board dental benefits administration account is created in the custody of the state treasurer. Only the director or the director's designee may authorize expenditures from the account. Moneys in the account shall be used exclusively for school employees' benefits board contracted expenditures related to benefits administration for the self-insured dental plan as established under RCW 41.05.140. Receipts from amounts due from or on behalf of the self-insured dental plan enrollees for expenditures related to benefits administration, including moneys disbursed from the school employees' insurance account, shall be deposited into the account. The account is subject to allotment procedures under chapter 43.88 RCW, but no appropriation is required for expenditures.

Sec. 28. RCW 43.79A.040 and 2017 3rd sp.s. c 5 s 89 are each amended to read as follows:

(1) Money in the treasurer's trust fund may be deposited, invested, and reinvested by the state treasurer in accordance with RCW 43.84.080 in the same manner and to the same extent as if the money were in the state treasury, and may be commingled with moneys in the state treasury for cash management and cash balance purposes.

(2) All income received from investment of the treasurer's trust fund must be set aside in an account in the treasury trust fund to be known as the investment income account.

(3) The investment income account may be utilized for the payment of purchased banking services on behalf of treasurer's trust funds including, but not limited to, depository, safekeeping, and disbursement functions for the state

treasurer or affected state agencies. The investment income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments must occur prior to distribution of earnings set forth in subsection (4) of this section.

(4)(a) Monthly, the state treasurer must distribute the earnings credited to the investment income account to the state general fund except under (b), (c), and (d) of this subsection.

(b) The following accounts and funds must receive their proportionate share of earnings based upon each account's or fund's average daily balance for the period: The 24/7 sobriety account, the Washington promise scholarship account, the Gina Grant Bull memorial legislative page scholarship account, the Washington advanced college tuition payment program account, the Washington college savings program account, the accessible communities account, the Washington achieving a better life experience program account, the community and technical college innovation account, the agricultural local fund, the American Indian scholarship endowment fund, the foster care scholarship endowment fund, the foster care endowed scholarship trust fund, the contract harvesting revolving account, the Washington state combined fund drive account, the commemorative works account, the county enhanced 911 excise tax account, the toll collection account, the developmental disabilities endowment trust fund, the energy account, the fair fund, the family and medical leave insurance account, the food animal veterinarian conditional scholarship account, the forest health revolving account, the fruit and vegetable inspection account, the future teachers conditional scholarship account, the game farm alternative account, the GET ready for math and science scholarship account, the Washington global health technologies and product development account, the grain inspection revolving fund, the industrial insurance rainy day fund, the juvenile accountability incentive account, the law enforcement officers' and firefighters' plan 2 expense fund, the local tourism promotion account, the low-income home rehabilitation revolving loan program account, the multiagency permitting team account, the northeast Washington wolf-livestock management account, the pilotage account, the produce railcar pool account, the regional transportation investment district account, the rural rehabilitation account, the Washington sexual assault kit account, the stadium and exhibition center account, the youth athletic facility account, the self-insurance revolving fund, the children's trust fund, the Washington horse racing commission Washington bred owners' bonus fund and breeder awards account, the Washington horse racing commission class C purse fund account, the individual development account program account, the Washington horse racing commission operating account, the life sciences discovery fund, the Washington state heritage center account, the reduced cigarette ignition propensity account, the center for childhood deafness and hearing loss account, the school for the blind account, the Millersylvania park trust fund, the public employees' and retirees' insurance reserve fund, the school employees' benefits board insurance reserve fund, public employees' and retirees' insurance account, school employees' insurance account, and the radiation perpetual maintenance fund.

(c) The following accounts and funds must receive eighty percent of their proportionate share of earnings based upon each account's or fund's average daily balance for the period: The advanced right-of-way revolving fund, the

advanced environmental mitigation revolving account, the federal narcotics asset forfeitures account, the high occupancy vehicle account, the local rail service assistance account, and the miscellaneous transportation programs account.

(d) Any state agency that has independent authority over accounts or funds not statutorily required to be held in the custody of the state treasurer that deposits funds into a fund or account in the custody of the state treasurer pursuant to an agreement with the office of the state treasurer shall receive its proportionate share of earnings based upon each account's or fund's average daily balance for the period.

(5) In conformance with Article II, section 37 of the state Constitution, no trust accounts or funds shall be allocated earnings without the specific affirmative directive of this section.

Sec. 29. RCW 28A.400.280 and 2017 3rd sp.s. c 13 s 815 are each amended to read as follows:

(1) Except as provided in subsection (2) of this section, school districts may provide employer fringe benefit contributions after October 1, 1990, only for basic benefits. However, school districts may continue payments under contracts with employees or benefit providers in effect on April 13, 1990, until the contract expires.

(2) School districts may provide employer contributions after October 1, 1990, ~~((and until December 31, 2019,))~~ for optional benefit plans, in addition to basic benefits. Beginning January 1, 2020, school district optional benefits must be outside the school employees' benefits board's authority in RCW 41.05.740(6). Beginning December 1, 2019, and each December 1st thereafter, school district optional benefits must be reported to the school employees' benefits board and health care authority. The school employees' benefits board shall review the optional benefits offered by districts and: (a) Determine if the optional benefits conflict with school employees' benefits board's plans offering authority and, if not, (b) evaluate whether to seek additional benefit offerings authority from the legislature. Optional benefits may include direct agreements as defined in chapter 48.150 RCW, and may include employee beneficiary accounts that can be liquidated by the employee on termination of employment. Optional benefit plans may be offered only if:

(a) Each full-time employee, regardless of the number of dependents receiving basic coverage, receives the same additional employer contribution for other coverage or optional benefits; and

(b) For part-time employees, participation in optional benefit plans shall be governed by the same eligibility criteria and/or proration of employer contributions used for allocations for basic benefits.

(3) School districts are not intended to divert state basic benefit allocations for other purposes ~~((=and))~~. Beginning January 1, 2020, ((no basic or optional benefits may be provided by employer contributions if they are not provided)) school districts must offer all benefits offered by the school employees' benefits board administered by the health care authority, and consistent with RCW 41.56.500(2).

(4) Any optional benefits offered by a school district under subsection (2) of this section are considered an enhancement to the state's definition of basic education.

Sec. 30. RCW 41.05.700 and 2017 c 219 s 2 are each amended to read as follows:

(1) A health plan offered to employees, school employees, and their covered dependents under this chapter issued or renewed on or after January 1, 2017, shall reimburse a provider for a health care service provided to a covered person through telemedicine or store and forward technology if:

(a) The plan provides coverage of the health care service when provided in person by the provider;

(b) The health care service is medically necessary;

(c) The health care service is a service recognized as an essential health benefit under section 1302(b) of the federal patient protection and affordable care act in effect on January 1, 2015; and

(d) The health care service is determined to be safely and effectively provided through telemedicine or store and forward technology according to generally accepted health care practices and standards, and the technology used to provide the health care service meets the standards required by state and federal laws governing the privacy and security of protected health information.

(2)(a) If the service is provided through store and forward technology there must be an associated office visit between the covered person and the referring health care provider. Nothing in this section prohibits the use of telemedicine for the associated office visit.

(b) For purposes of this section, reimbursement of store and forward technology is available only for those covered services specified in the negotiated agreement between the health plan and health care provider.

(3) An originating site for a telemedicine health care service subject to subsection (1) of this section includes a:

(a) Hospital;

(b) Rural health clinic;

(c) Federally qualified health center;

(d) Physician's or other health care provider's office;

(e) Community mental health center;

(f) Skilled nursing facility;

(g) Home or any location determined by the individual receiving the service; or

(h) Renal dialysis center, except an independent renal dialysis center.

(4) Except for subsection (3)(g) of this section, any originating site under subsection (3) of this section may charge a facility fee for infrastructure and preparation of the patient. Reimbursement must be subject to a negotiated agreement between the originating site and the health plan. A distant site or any other site not identified in subsection (3) of this section may not charge a facility fee.

(5) The plan may not distinguish between originating sites that are rural and urban in providing the coverage required in subsection (1) of this section.

(6) The plan may subject coverage of a telemedicine or store and forward technology health service under subsection (1) of this section to all terms and conditions of the plan including, but not limited to, utilization review, prior authorization, deductible, copayment, or coinsurance requirements that are applicable to coverage of a comparable health care service provided in person.

(7) This section does not require the plan to reimburse:

- (a) An originating site for professional fees;
 - (b) A provider for a health care service that is not a covered benefit under the plan; or
 - (c) An originating site or health care provider when the site or provider is not a contracted provider under the plan.
- (8) For purposes of this section:
- (a) "Distant site" means the site at which a physician or other licensed provider, delivering a professional service, is physically located at the time the service is provided through telemedicine;
 - (b) "Health care service" has the same meaning as in RCW 48.43.005;
 - (c) "Hospital" means a facility licensed under chapter 70.41, 71.12, or 72.23 RCW;
 - (d) "Originating site" means the physical location of a patient receiving health care services through telemedicine;
 - (e) "Provider" has the same meaning as in RCW 48.43.005;
 - (f) "Store and forward technology" means use of an asynchronous transmission of a covered person's medical information from an originating site to the health care provider at a distant site which results in medical diagnosis and management of the covered person, and does not include the use of audio-only telephone, facsimile, or email; and
 - (g) "Telemedicine" means the delivery of health care services through the use of interactive audio and video technology, permitting real-time communication between the patient at the originating site and the provider, for the purpose of diagnosis, consultation, or treatment. For purposes of this section only, "telemedicine" does not include the use of audio-only telephone, facsimile, or email.

NEW SECTION. Sec. 31. A new section is added to chapter 41.05 RCW to read as follows:

(1) All health care and financial related data as required by section 4, chapter 3, Laws of 2012 2nd sp. sess. that was sent by school districts and their benefits providers to the office of the insurance commissioner for plan years ending in 2012 through 2016 for the purposes of studying health benefits provided to school employees must be provided to the authority by March 15, 2018.

(2) All claims data, including health care and financial related data received by the authority under subsection (1) of this section, is the property of the state and is exempt from disclosure and not subject to chapter 42.56 RCW.

Sec. 32. RCW 42.56.400 and 2017 3rd sp.s. c 30 s 2 and 2017 c 193 s 2 are each reenacted and amended to read as follows:

The following information relating to insurance and financial institutions is exempt from disclosure under this chapter:

(1) Records maintained by the board of industrial insurance appeals that are related to appeals of crime victims' compensation claims filed with the board under RCW 7.68.110;

(2) Information obtained and exempted or withheld from public inspection by the health care authority under RCW 41.05.026, whether retained by the authority, transferred to another state purchased health care program by the authority, or transferred by the authority to a technical review committee created

to facilitate the development, acquisition, or implementation of state purchased health care under chapter 41.05 RCW;

(3) The names and individual identification data of either all owners or all insureds, or both, received by the insurance commissioner under chapter 48.102 RCW;

(4) Information provided under RCW 48.30A.045 through 48.30A.060;

(5) Information provided under RCW 48.05.510 through 48.05.535, 48.43.200 through 48.43.225, 48.44.530 through 48.44.555, and 48.46.600 through 48.46.625;

(6) Examination reports and information obtained by the department of financial institutions from banks under RCW 30A.04.075, from savings banks under RCW 32.04.220, from savings and loan associations under RCW 33.04.110, from credit unions under RCW 31.12.565, from check cashers and sellers under RCW 31.45.030(3), and from securities brokers and investment advisers under RCW 21.20.100, all of which is confidential and privileged information;

(7) Information provided to the insurance commissioner under RCW 48.110.040(3);

(8) Documents, materials, or information obtained by the insurance commissioner under RCW 48.02.065, all of which are confidential and privileged;

(9) Documents, materials, or information obtained by the insurance commissioner under RCW 48.31B.015(2) (l) and (m), 48.31B.025, 48.31B.030, and 48.31B.035, all of which are confidential and privileged;

(10) Data filed under RCW 48.140.020, 48.140.030, 48.140.050, and 7.70.140 that, alone or in combination with any other data, may reveal the identity of a claimant, health care provider, health care facility, insuring entity, or self-insurer involved in a particular claim or a collection of claims. For the purposes of this subsection:

(a) "Claimant" has the same meaning as in RCW 48.140.010(2).

(b) "Health care facility" has the same meaning as in RCW 48.140.010(6).

(c) "Health care provider" has the same meaning as in RCW 48.140.010(7).

(d) "Insuring entity" has the same meaning as in RCW 48.140.010(8).

(e) "Self-insurer" has the same meaning as in RCW 48.140.010(11);

(11) Documents, materials, or information obtained by the insurance commissioner under RCW 48.135.060;

(12) Documents, materials, or information obtained by the insurance commissioner under RCW 48.37.060;

(13) Confidential and privileged documents obtained or produced by the insurance commissioner and identified in RCW 48.37.080;

(14) Documents, materials, or information obtained by the insurance commissioner under RCW 48.37.140;

(15) Documents, materials, or information obtained by the insurance commissioner under RCW 48.17.595;

(16) Documents, materials, or information obtained by the insurance commissioner under RCW 48.102.051(1) and 48.102.140 (3) and (7)(a)(ii);

(17) Documents, materials, or information obtained by the insurance commissioner in the commissioner's capacity as receiver under RCW 48.31.025 and 48.99.017, which are records under the jurisdiction and control of the

receivership court. The commissioner is not required to search for, log, produce, or otherwise comply with the public records act for any records that the commissioner obtains under chapters 48.31 and 48.99 RCW in the commissioner's capacity as a receiver, except as directed by the receivership court;

(18) Documents, materials, or information obtained by the insurance commissioner under RCW 48.13.151;

(19) Data, information, and documents provided by a carrier pursuant to section 1, chapter 172, Laws of 2010;

(20) Information in a filing of usage-based insurance about the usage-based component of the rate pursuant to RCW 48.19.040(5)(b);

(21) Data, information, and documents, other than those described in RCW 48.02.210(2) as it existed prior to repeal by section 2, chapter 7, Laws of 2017 3rd sp.s., that are submitted to the office of the insurance commissioner by an entity providing health care coverage pursuant to RCW 28A.400.275 as it existed on January 1, 2017, and 48.02.210 as it existed prior to repeal by section 2, chapter 7, Laws of 2017 3rd sp.s.;

(22) Data, information, and documents obtained by the insurance commissioner under RCW 48.29.017;

(23) Information not subject to public inspection or public disclosure under RCW 48.43.730(5);

(24) Documents, materials, or information obtained by the insurance commissioner under chapter 48.05A RCW;

(25) Documents, materials, or information obtained by the insurance commissioner under RCW 48.74.025, 48.74.028, 48.74.100(6), 48.74.110(2) (b) and (c), and 48.74.120 to the extent such documents, materials, or information independently qualify for exemption from disclosure as documents, materials, or information in possession of the commissioner pursuant to a financial conduct examination and exempt from disclosure under RCW 48.02.065; (~~and~~)

(26) Nonpublic personal health information obtained by, disclosed to, or in the custody of the insurance commissioner, as provided in RCW 48.02.068; (~~and~~)

(27) Data, information, and documents obtained by the insurance commissioner under RCW 48.02.230; and

(28) All claims data, including health care and financial related data received under section 31 of this act, received and held by the health care authority.

NEW SECTION. Sec. 33. A new section is added to chapter 28A.400 RCW to read as follows:

The monthly insurance benefit allocated to school districts for state-funded staffing assumptions in the 2019-2021 biennial omnibus appropriations act must be funded at a rate that is no less than the per employee per month funding rate provided to state agencies for state employee benefits.

NEW SECTION. Sec. 34. The legislature intends to review the state-funded staffing assumptions for K-12 benefit allocations to districts for the 2019-2021 biennial omnibus appropriations act and consider assumptions related to the monthly benefit allocated for the proportion of staff, that are anticipated to work six hundred thirty hours or more.

NEW SECTION. **Sec. 35.** Sections 14, 22, 23, 31, and 32 of this act are necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and take effect immediately.

Passed by the Senate February 14, 2018.

Passed by the House March 7, 2018.

Approved by the Governor March 23, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 261

[Engrossed Substitute Senate Bill 6257]

EARLY INTERVENTION FOR CHILDREN WITH DISABILITIES--FUNDING MODEL

AN ACT Relating to provision of early intervention services for eligible children with disabilities from birth through two years of age; 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 department of children, youth, and families, in consultation with the department of early learning, the office of the superintendent of public instruction, the office of financial management, the caseload forecast council, legislative fiscal staff, and with advice and assistance from the applicable committees of the state interagency coordinating council, must develop a funding model with which to determine the amount of annual allocations that shall be appropriated in the omnibus appropriations act after July 1, 2019, for early intervention services for children with disabilities from birth through two years of age, which the department of children, youth, and families oversees.

(2) The department must submit a final report that includes the agreed-upon funding model and any necessary statutory changes to the office of financial management and the fiscal committees of the legislature no later than September 1, 2018.

(3) This section expires July 1, 2020.

Passed by the Senate March 6, 2018.

Passed by the House February 28, 2018.

Approved by the Governor March 23, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 262

[Engrossed Second Substitute Senate Bill 6269]

OIL TRANSPORTATION SAFETY

AN ACT Relating to strengthening oil transportation safety; amending RCW 82.23B.020, 88.46.060, 88.46.220, 88.46.167, 90.56.210, 90.56.240, and 90.56.569, reenacting and amending RCW 82.23B.010; adding new sections to chapter 88.46 RCW; adding new sections to chapter 90.56 RCW; creating new sections; providing an effective date; providing expiration dates; and declaring an emergency.

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

PART 1
REVENUE

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

(a) The 2004 legislature declared a zero spills goal for the state of Washington. When a spill occurs, there is severe and irreversible damage to the environment, human health, tribal and other cultural and historical resources, and the economy. Fish, orcas, wildlife habitats, shellfish beds, archaeologically sensitive areas, clean air, and public facilities are put at risk when spills occur in the state of Washington.

(b) The department of ecology's oil spill program faces a critical funding gap due to the lack of adequate revenue to fully fund the prevention and preparedness services required by state law, including the 2015 oil transportation safety act. Moreover, the program has endured a decline in capacity and resources to fully utilize its existing authority for critical needs, like vessel inspections and developing spill response plans. Without an adequate investment in revenue, there will be a continued decline in required prevention and preparedness services, causing an increased risk of oil spills in the state of Washington and our shared waters with the Canadian transboundary region.

(c) While oil transported into the state by rail and tank vessels is taxed to fund the oil spill program's oil spill prevention and preparedness activities, a third method of transport, pipelines, currently is not taxed, despite it generating a sizeable oil spill risk.

(d) Some oils are inherently heavy and are likely to stay submerged in the water column or sink to the bottom of a water body. In addition, many oils, depending on their qualities, weathering, environmental factors, and method of discharge, may also submerge or sink in water. Oils that submerge or sink in water pose a substantial risk to the environment, human health, tribal and other cultural and historical resources, and the economy and are a significant challenge to cleanup. Oils are currently being transported by vessels, trains, and pipelines in large volumes in our state, with increased volumes of heavy oils being transported by vessel through our shared waters from Canada. As knowledge about how oils submerge or sink in water grows and technological advances to respond are developed, preventing and preparing for these spills must be updated.

(2) Therefore, the legislature intends to provide adequate revenue to fully fund prevention and preparedness services required by state law, as well as direct the department of ecology to specifically address the risks of oils submerging and sinking and more extensively coordinate with our Canadian partners in order to protect our state's economy and its shared resources.

Sec. 102. RCW 82.23B.010 and 2015 c 274 s 13 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) "Barrel" means a unit of measurement of volume equal to forty-two United States gallons of crude oil or petroleum product.

(2) "Bulk oil terminal" means a facility of any kind, other than a waterborne vessel, that is used for transferring crude oil or petroleum products from a tank car or pipeline.

(3) "Crude oil" means any naturally occurring hydrocarbons coming from the earth that are liquid at twenty-five degrees Celsius and one atmosphere of pressure including, but not limited to, crude oil, bitumen and diluted bitumen, synthetic crude oil, and natural gas well condensate.

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

(5) "Marine terminal" means a facility of any kind, other than a waterborne vessel, that is used for transferring crude oil or petroleum products to or from a waterborne vessel or barge.

(6) "Navigable waters" means those waters of the state and their adjoining shorelines that are subject to the ebb and flow of the tide, including the Columbia and Snake rivers.

(7) "Person" has the meaning provided in RCW 82.04.030.

(8) "Petroleum product" means any liquid hydrocarbons at atmospheric temperature and pressure that are the product of the fractionation, distillation, or other refining or processing of crude oil, and that are used as, useable as, or may be refined as a fuel or fuel blendstock, including but not limited to, gasoline, diesel fuel, aviation fuel, bunker fuel, and fuels containing a blend of alcohol and petroleum.

(9) "Pipeline" means an interstate or intrastate pipeline subject to regulation by the United States department of transportation under 49 C.F.R. Part 195 in effect on the effective date of this section, through which oil moves in transportation, including line pipes, valves, and other appurtenances connected to line pipes, pumping units, and fabricated assemblies associated with pumping units.

(10) "Tank car" means a rail car, the body of which consists of a tank for transporting liquids.

~~((40))~~ (11) "Taxpayer" means the person owning crude oil or petroleum products immediately after receipt of the same into the storage tanks of a marine or bulk oil terminal in this state and who is liable for the taxes imposed by this chapter.

~~((44))~~ (12) "Waterborne vessel or barge" means any ship, barge, or other watercraft capable of traveling on the navigable waters of this state and capable of transporting any crude oil or petroleum product in quantities of ten thousand gallons or more for purposes other than providing fuel for its motor or engine.

Sec. 103. RCW 82.23B.020 and 2015 c 274 s 14 are each amended to read as follows:

(1) An oil spill response tax is imposed on the privilege of receiving: (a) Crude oil or petroleum products at a marine terminal within this state from a waterborne vessel or barge operating on the navigable waters of this state; or (b) crude oil or petroleum products at a bulk oil terminal within this state from a tank car or pipeline. The tax imposed in this section is levied upon the owner of the crude oil or petroleum products immediately after receipt of the same into the storage tanks of a marine or bulk oil terminal from a tank car ~~((4))~~, pipeline, waterborne vessel, or barge at the rate of one cent per barrel of crude oil or petroleum product received.

(2) In addition to the tax imposed in subsection (1) of this section, an oil spill administration tax is imposed on the privilege of receiving: (a) Crude oil or petroleum products at a marine terminal within this state from a waterborne vessel or barge operating on the navigable waters of this state; or (b) crude oil or

petroleum products at a bulk oil terminal within this state from a tank car or pipeline. The tax imposed in this section is levied upon the owner of the crude oil or petroleum products immediately after receipt of the same into the storage tanks of a marine or bulk oil terminal from a tank car ~~((or))~~, pipeline, waterborne vessel, or barge at the rate of four cents per barrel of crude oil or petroleum product.

(3) The taxes imposed by this chapter must be collected by the marine or bulk oil terminal operator from the taxpayer. If any person charged with collecting the taxes fails to bill the taxpayer for the taxes, or in the alternative has not notified the taxpayer in writing of the taxes imposed, or having collected the taxes, fails to pay them to the department in the manner prescribed by this chapter, whether such failure is the result of the person's own acts or the result of acts or conditions beyond the person's control, he or she, nevertheless, is personally liable to the state for the amount of the taxes. Payment of the taxes by the owner to a marine or bulk oil terminal operator relieves the owner from further liability for the taxes.

(4) Taxes collected under this chapter must be held in trust until paid to the department. Any person collecting the taxes who appropriates or converts the taxes collected is guilty of a gross misdemeanor if the money required to be collected is not available for payment on the date payment is due. The taxes required by this chapter to be collected must be stated separately from other charges made by the marine or bulk oil terminal operator in any invoice or other statement of account provided to the taxpayer.

(5) If a taxpayer fails to pay the taxes imposed by this chapter to the person charged with collection of the taxes and the person charged with collection fails to pay the taxes to the department, the department may, in its discretion, proceed directly against the taxpayer for collection of the taxes.

(6) The taxes are due from the marine or bulk oil terminal operator, along with reports and returns on forms prescribed by the department, within twenty-five days after the end of the month in which the taxable activity occurs.

(7) The amount of taxes, until paid by the taxpayer to the marine or bulk oil terminal operator or to the department, constitutes a debt from the taxpayer to the marine or bulk oil terminal operator. Any person required to collect the taxes under this chapter who, with intent to violate the provisions of this chapter, fails or refuses to do so as required and any taxpayer who refuses to pay any taxes due under this chapter, is guilty of a misdemeanor as provided in chapter 9A.20 RCW.

(8) Upon prior approval of the department, the taxpayer may pay the taxes imposed by this chapter directly to the department. The department must give its approval for direct payment under this section whenever it appears, in the department's judgment, that direct payment will enhance the administration of the taxes imposed under this chapter. The department must provide by rule for the issuance of a direct payment certificate to any taxpayer qualifying for direct payment of the taxes. Good faith acceptance of a direct payment certificate by a terminal operator relieves the marine or bulk oil terminal operator from any liability for the collection or payment of the taxes imposed under this chapter.

(9)(a) All receipts from the tax imposed in subsection (1) of this section must be deposited into the state oil spill response account. ~~((A))~~

(b) Beginning in fiscal year 2019 and each fiscal year thereafter, the first two hundred thousand dollars of receipts from the tax imposed in subsection (2) of this section ((shall)) must be deposited into the military department active state service account created in RCW 38.40.220, and the remainder of the receipts from the tax imposed in subsection (2) of this section must be deposited into the oil spill prevention account.

(10) Within forty-five days after the end of each calendar quarter, the office of financial management must determine the balance of the oil spill response account as of the last day of that calendar quarter. Balance determinations by the office of financial management under this section are final and may not be used to challenge the validity of any tax imposed under this chapter. The office of financial management must promptly notify the departments of revenue and ecology of the account balance once a determination is made. For each subsequent calendar quarter, the tax imposed by subsection (1) of this section shall be imposed during the entire calendar quarter unless:

(a) Tax was imposed under subsection (1) of this section during the immediately preceding calendar quarter, and the most recent quarterly balance is more than nine million dollars; or

(b) Tax was not imposed under subsection (1) of this section during the immediately preceding calendar quarter, and the most recent quarterly balance is more than eight million dollars.

NEW SECTION. Sec. 104. The department of ecology shall provide a report to the legislature by July 1, 2020, on the following: (1) A description of activities conducted by the department's oil spill program that are expected to continue after fiscal year 2019, and activities that are not expected to continue after fiscal year 2019; (2) recommendations regarding potential sources of funding for the department's oil spill program; (3) recommendations regarding the allocation of funding from the taxes established in RCW 82.23B.020 among various state agencies, including whether funding should be discontinued or reduced for any agency; and (4) a forecast of the department's oil spill program funding needs after fiscal year 2019.

PART 2 VESSELS

Sec. 201. RCW 88.46.060 and 2011 c 122 s 6 are each amended to read as follows:

(1) Each covered vessel shall have a contingency plan for the containment and cleanup of oil spills from the covered vessel into the waters of the state and for the protection of fisheries and wildlife, shellfish beds, natural resources, and public and private property from such spills. The department shall by rule adopt and periodically revise standards for the preparation of contingency plans. The department shall require contingency plans, at a minimum, to meet the following standards:

(a) Include full details of the method of response to spills of various sizes from any vessel which is covered by the plan;

(b) Be designed to be capable in terms of personnel, materials, and equipment, of promptly and properly, to the maximum extent practicable, as defined by the department, removing oil and minimizing any damage to the environment resulting from a worst case spill;

(c) Provide a clear, precise, and detailed description of how the plan relates to and is integrated into relevant contingency plans which have been prepared by cooperatives, ports, regional entities, the state, and the federal government;

(d) Provide procedures for early detection of spills and timely notification of such spills to appropriate federal, state, and local authorities under applicable state and federal law;

(e) State the number, training preparedness, and fitness of all dedicated, prepositioned personnel assigned to direct and implement the plan;

(f) Incorporate periodic training and drill programs consistent with this chapter to evaluate whether personnel and equipment provided under the plan are in a state of operational readiness at all times;

(g) Describe important features of the surrounding environment, including fish ~~(and)~~ habitat, water column species and subsurface resources, wildlife habitat, shellfish beds, environmentally and archaeologically sensitive areas, and public facilities, that are: (i) Based on information documented in geographic response plans and area contingency plans, as required under RCW 90.56.210; or (ii) for areas without geographic response plans or area contingency plans, existing practices protecting these resources used for similar areas. The departments of ecology, fish and wildlife, natural resources, and archaeology and historic preservation, upon request, shall provide information that they have available to assist in preparing this description. The description of archaeologically sensitive areas shall not be required to be included in a contingency plan until it is reviewed and updated pursuant to subsection (9) of this section;

(h) State the means of protecting and mitigating effects on the environment, including fish, shellfish, marine mammals, and other wildlife, and ensure that implementation of the plan does not pose unacceptable risks to the public or the environment;

(i) Establish guidelines for the use of equipment by the crew of a vessel to minimize vessel damage, stop or reduce any spilling from the vessel, and, only when appropriate and only when vessel safety is assured, contain and clean up the spilled oil;

(j) Provide arrangements for the prepositioning of spill containment and cleanup equipment and trained personnel at strategic locations from which they can be deployed to the spill site to promptly and properly remove the spilled oil;

(k) Provide arrangements for enlisting the use of qualified and trained cleanup personnel to implement the plan;

(l) Provide for disposal of recovered spilled oil in accordance with local, state, and federal laws;

(m) Until a spill prevention plan has been submitted pursuant to RCW 88.46.040, state the measures that have been taken to reduce the likelihood that a spill will occur, including but not limited to, design and operation of a vessel, training of personnel, number of personnel, and backup systems designed to prevent a spill;

(n) State the amount and type of equipment available to respond to a spill, where the equipment is located, and the extent to which other contingency plans rely on the same equipment;

(o) If the department has adopted rules permitting the use of dispersants, the circumstances, if any, and the manner for the application of the dispersants in conformance with the department's rules;

(p) Compliance with RCW 88.46.230 if the contingency plan is submitted by an umbrella plan holder; and

(q) Include any additional elements of contingency plans as required by this chapter.

(2) The owner or operator of a covered vessel must submit any required contingency plan updates to the department within the timelines established by the department.

(3)(a) The owner or operator of a tank vessel or of the facilities at which the vessel will be unloading its cargo, or a nonprofit corporation established for the purpose of oil spill response and contingency plan coverage and of which the owner or operator is a member, shall submit the contingency plan for the tank vessel. Subject to conditions imposed by the department, the owner or operator of a facility may submit a single contingency plan for tank vessels of a particular class that will be unloading cargo at the facility.

(b) The contingency plan for a cargo vessel or passenger vessel may be submitted by the owner or operator of the cargo vessel or passenger vessel, by the agent for the vessel resident in this state, or by a nonprofit corporation established for the purpose of oil spill response and contingency plan coverage and of which the owner or operator is a member. Subject to conditions imposed by the department, the owner, operator, or agent may submit a single contingency plan for cargo vessels or passenger vessels of a particular class.

(c) A person who has contracted with a covered vessel to provide containment and cleanup services and who meets the standards established pursuant to RCW 90.56.240, may submit the plan for any covered vessel for which the person is contractually obligated to provide services. Subject to conditions imposed by the department, the person may submit a single plan for more than one covered vessel.

(4) A contingency plan prepared for an agency of the federal government or another state that satisfies the requirements of this section and rules adopted by the department may be accepted by the department as a contingency plan under this section. The department shall ensure that to the greatest extent possible, requirements for contingency plans under this section are consistent with the requirements for contingency plans under federal law.

(5) In reviewing the contingency plans required by this section, the department shall consider at least the following factors:

(a) The adequacy of containment and cleanup equipment, personnel, communications equipment, notification procedures and call down lists, response time, and logistical arrangements for coordination and implementation of response efforts to remove oil spills promptly and properly and to protect the environment;

(b) The nature and amount of vessel traffic within the area covered by the plan;

(c) The volume and type of oil being transported within the area covered by the plan;

(d) The existence of navigational hazards within the area covered by the plan;

(e) The history and circumstances surrounding prior spills of oil within the area covered by the plan;

(f) The sensitivity of fisheries and wildlife, shellfish beds, and other natural resources within the area covered by the plan;

(g) Relevant information on previous spills contained in on-scene coordinator reports prepared by the director; and

(h) The extent to which reasonable, cost-effective measures to prevent a likelihood that a spill will occur have been incorporated into the plan.

(6)(a) The department shall approve a contingency plan only if it determines that the plan meets the requirements of this section and that, if implemented, the plan is capable, in terms of personnel, materials, and equipment, of removing oil promptly and properly and minimizing any damage to the environment.

(b) The department must notify the plan holder in writing within sixty-five days of an initial or amended plan's submittal to the department as to whether the plan is disapproved, approved, or conditionally approved. If a plan is conditionally approved, the department must clearly describe each condition and specify a schedule for plan holders to submit required updates.

(7) The approval of the contingency plan shall be valid for five years. Upon approval of a contingency plan, the department shall provide to the person submitting the plan a statement indicating that the plan has been approved, the vessels covered by the plan, and other information the department determines should be included.

(8) An owner or operator of a covered vessel shall notify the department in writing immediately of any significant change of which it is aware affecting its contingency plan, including changes in any factor set forth in this section or in rules adopted by the department. The department may require the owner or operator to update a contingency plan as a result of these changes.

(9) The department by rule shall require contingency plans to be reviewed, updated, if necessary, and resubmitted to the department at least once every five years.

(10) Approval of a contingency plan by the department does not constitute an express assurance regarding the adequacy of the plan nor constitute a defense to liability imposed under this chapter or other state law.

NEW SECTION. Sec. 202. A new section is added to chapter 88.46 RCW to read as follows:

By December 31, 2019, consistent with the authority under RCW 88.46.060, the department must update rules for contingency plans to require:

(1) Covered vessels to address situations where oils, depending on their qualities, weathering, environmental factors, and method of discharge, may submerge or sink in water; and

(2) Standards for best achievable protection for situations involving the oils in subsection (1) of this section.

Sec. 203. RCW 88.46.220 and 2011 c 122 s 5 are each amended to read as follows:

(1) The department is responsible for requiring joint large-scale, multiple plan equipment deployment drills of ~~((tank))~~ covered vessels to determine the adequacy of the owner's or operator's compliance with the contingency plan requirements of this chapter. The department must order at least one drill as

outlined in this section every three years, which must address situations where oils, depending on their qualities, weathering, environmental factors, and method of discharge, may submerge or sink in water.

(2) Drills required under this section must focus on, at a minimum, the following:

(a) The functional ability for multiple contingency plans to be simultaneously activated with the purpose of testing the ability for dedicated equipment and trained personnel cited in multiple contingency plans to be activated in a large scale spill; and

(b) The operational readiness during both the first six hours of a spill and, at the department's discretion, over multiple operational periods of response.

(3) Drills required under this section may be incorporated into other drill requirements under this chapter to avoid increasing the number of drills and equipment deployments otherwise required.

(4) Each successful drill conducted under this section may be considered by the department as a drill of the underlying contingency plan and credit may be awarded to the plan holder accordingly.

(5) The department shall, when practicable, coordinate with applicable federal agencies, the state of Oregon, and the province of British Columbia to establish a drill incident command and to help ensure that lessons learned from the drills are evaluated with the goal of improving the underlying contingency plans.

NEW SECTION. Sec. 204. A new section is added to chapter 88.46 RCW to read as follows:

(1) The department must establish the Salish Sea shared waters forum to address common issues in the cross-boundary waterways between Washington state and British Columbia such as: Enhancing efforts to reduce oil spill risk; addressing navigational safety; and promoting data sharing.

(2) The department must:

(a) Coordinate with provincial and federal Canadian agencies when establishing the Salish Sea shared waters forum; and

(b) Seek participation from stakeholders that, at minimum, includes representatives of the following: State, provincial, and federal governmental entities, regulated entities, environmental organizations, tribes, and first nations.

(3) The Salish Sea shared waters forum must meet at least once per year to consider the following:

(a) Gaps and conflicts in oil spill policies, regulations, and laws;

(b) Opportunities to reduce oil spill risk, including requiring tug escorts for oil tankers, articulated tug barges, and other waterborne vessels or barges;

(c) Enhancing oil spill prevention, preparedness, and response capacity; and

(d) Whether an emergency response system in Haro Strait, Boundary Pass, and Rosario Strait, similar to the system implemented by the maritime industry pursuant to RCW 88.46.130, will decrease oil spill risk and how to fund such a shared system.

(4) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Articulated tug barge" means a tank barge and a towing vessel joined by hinged or articulated fixed mechanical equipment affixed or connecting to the stern of the tank barge.

(b) "Waterborne vessel or barge" means any ship, barge, or other watercraft capable of traveling on the navigable waters of this state and capable of transporting any crude oil or petroleum product in quantities of ten thousand gallons or more for purposes other than providing fuel for its motor or engine.

(5) This section expires July 1, 2021.

Sec. 205. RCW 88.46.167 and 2006 c 316 s 2 are each amended to read as follows:

In addition to other inspection authority provided for in this chapter and chapter 90.56 RCW, the department may conduct inspections of oil transfer operations regulated under RCW 88.46.160 or 88.46.165. The department must conduct specialized reviews and prioritize adding capacity for the inspection of oil transfer operations where oils, depending on their qualities, weathering, environmental factors, and method of discharge, may submerge or sink in water.

NEW SECTION. **Sec. 206.** (1)(a) The department of ecology, in consultation with the Puget Sound partnership and the pilotage commission, must complete a report of vessel traffic and vessel traffic safety within the Strait of Juan de Fuca, Puget Sound area that includes the San Juan archipelago, its connected waterways, Haro Strait, Boundary Pass, Rosario Strait, and the waters south of Admiralty Inlet. A draft report, including recommendations, must be completed and submitted, consistent with RCW 43.01.036, to the legislature by December 1, 2018. The final report must be completed and submitted to the legislature by June 30, 2019.

(b) In conducting the evaluation to produce the report, the department of ecology must rely only on existing current vessel traffic risk assessments and other available studies, consult with the United States coast guard, maritime experts, including representatives of covered vessels, onshore and offshore facilities, environmental organizations, tribes, commercial and noncommercial fishers, recreational resource users, provincial experts, representatives of the Salish Sea shared waters forum established in section 204 of this act, and other appropriate entities.

(2) The report completed under subsection (1) of this section must include an assessment and evaluation of:

(a) Worldwide incident and spill data for articulated tug barges and other towed waterborne vessels or barges;

(b) Transport of bitumen and diluted bitumen;

(c) Emerging trends in vessel traffic;

(d) Tug escorts for oil tankers, articulated tug barges, and other towed waterborne vessels or barges, including a review of requirements in California and Alaska;

(e) Requirements for tug capabilities to ensure safe escort of vessels, including manning and pilotage needs;

(f) An emergency response system in Haro Strait, Boundary Pass, and Rosario Strait, similar to the system implemented by the maritime industry pursuant to RCW 88.46.130;

(g) The differences between locations and navigational requirements for vessels transporting petroleum;

(h) The economic impact of proposals for tug escorts and limitations on vessel size; and

(i) Situations, where oils, depending on their qualities, weathering, environmental factors, and method of discharge, may submerge or sink in water.

(3) The report required under subsection (1) of this section must include recommendations for:

(a) Vessel traffic management and vessel traffic safety; and

(b) The viability of the following in reducing oil spill risk:

(i) Tug escorts for oil tankers, articulated tug barges, and other towed waterborne vessels or barges. If tug escorts are determined in this assessment to reduce oil spill risk, the department of ecology must recommend specific requirements and capabilities for tug escorts;

(ii) An emergency response system in Haro Strait, Boundary Pass, and Rosario Strait, similar to the system implemented by the maritime industry pursuant to RCW 88.46.130. If the department of ecology determines such a system will decrease oil spill risk, it must also recommend an action plan to implement it.

(4) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Articulated tug barge" means a tank barge and a towing vessel joined by hinged or articulated fixed mechanical equipment affixed or connecting to the stern of the tank barge.

(b) "Waterborne vessel or barge" means any ship, barge, or other watercraft capable of traveling on the navigable waters of this state and capable of transporting any crude oil or petroleum product in quantities of ten thousand gallons or more for purposes other than providing fuel for its motor or engine.

(5) This section expires June 30, 2019.

PART 3

FACILITIES, GEOGRAPHIC RESPONSE PLANS, AND SPILL MANAGEMENT TEAMS

Sec. 301. RCW 90.56.210 and 2017 c 239 s 1 are each amended to read as follows:

(1) Each onshore and offshore facility shall have a contingency plan for the containment and cleanup of oil spills from the facility into the waters of the state and for the protection of fisheries and wildlife, shellfish beds, natural resources, and public and private property from such spills. The department shall by rule adopt and periodically revise standards for the preparation of contingency plans. The department shall require contingency plans, at a minimum, to meet the following standards:

(a) Include full details of the method of response to spills of various sizes from any facility which is covered by the plan;

(b) Be designed to be capable in terms of personnel, materials, and equipment, of promptly and properly, to the maximum extent practicable, as defined by the department removing oil and minimizing any damage to the environment resulting from a worst case spill;

(c) Provide a clear, precise, and detailed description of how the plan relates to and is integrated into relevant contingency plans which have been prepared by cooperatives, ports, regional entities, the state, and the federal government;

(d) Provide procedures for early detection of oil spills and timely notification of such spills to appropriate federal, state, and local authorities under applicable state and federal law;

(e) State the number, training preparedness, and fitness of all dedicated, prepositioned personnel assigned to direct and implement the plan;

(f) Incorporate periodic training and drill programs to evaluate whether personnel and equipment provided under the plan are in a state of operational readiness at all times;

(g) Describe important features of the surrounding environment, including fish ~~((and))~~ habitat, water column species and subsurface resources, wildlife habitat, shellfish beds, environmentally and archaeologically sensitive areas, and public facilities, that are: (i) Based on information documented in geographic response plans and area contingency plans, as required under RCW 90.56.210; or (ii) for areas without geographic response plans or area contingency plans, existing practices protecting these resources used for similar areas. The departments of ecology, fish and wildlife, and natural resources, and the department of archaeology and historic preservation, upon request, shall provide information that they have available to assist in preparing this description. The description of archaeologically sensitive areas shall not be required to be included in a contingency plan until it is reviewed and updated pursuant to subsection (9) of this section;

(h) State the means of protecting and mitigating effects on the environment, including fish, shellfish, marine mammals, and other wildlife, and ensure that implementation of the plan does not pose unacceptable risks to the public or the environment;

(i) Provide arrangements for the prepositioning of oil spill containment and cleanup equipment and trained personnel at strategic locations from which they can be deployed to the spill site to promptly and properly remove the spilled oil;

(j) Provide arrangements for enlisting the use of qualified and trained cleanup personnel to implement the plan;

(k) Provide for disposal of recovered spilled oil in accordance with local, state, and federal laws;

(l) Until a spill prevention plan has been submitted pursuant to RCW 90.56.200, state the measures that have been taken to reduce the likelihood that a spill will occur, including but not limited to, design and operation of a facility, training of personnel, number of personnel, and backup systems designed to prevent a spill;

(m) State the amount and type of equipment available to respond to a spill, where the equipment is located, and the extent to which other contingency plans rely on the same equipment; and

(n) If the department has adopted rules permitting the use of dispersants, the circumstances, if any, and the manner for the application of the dispersants in conformance with the department's rules.

(2)(a) The following shall submit contingency plans to the department within six months after the department adopts rules establishing standards for contingency plans under subsection (1) of this section:

(i) Onshore facilities capable of storing one million gallons or more of oil; and

(ii) Offshore facilities.

(b) Contingency plans for all other onshore and offshore facilities shall be submitted to the department within eighteen months after the department has adopted rules under subsection (1) of this section. The department may adopt a schedule for submission of plans within the eighteen-month period.

(3)(a) The department by rule shall determine the contingency plan requirements for railroads transporting oil in bulk.

(b) For class III railroads transporting oil in bulk that is not crude oil in an amount of forty-nine or more tank car loads per year, the rules adopted under this subsection may not require contingency plans to include:

(i) Contracted access to oil spill response equipment; or

(ii) The completion of more than a total of one basic table-top drill every three years to test the contingency plans.

(c) For class III railroads transporting oil in bulk that is not crude oil in an amount less than forty-nine tank car loads per year, rules adopted under this subsection may only require railroads to submit a basic contingency plan to the department. A basic contingency plan filed under this subsection (3)(c) must be limited to requiring the class III railroads to:

(i) Keep documentation of the basic contingency plan on file with the department at the plan holder's principal place of business and at dispatcher field offices of the railroad;

(ii) Identify and include contact information for the chain of command and other personnel, including employees or spill response contractors, who will be involved in the railroad's response in the event of a spill;

(iii) Include information related to the relevant accident insurance carried by the railroad and provide a certificate of insurance upon request;

(iv) Develop a field document for use by personnel involved in oil handling operations that includes time-critical information regarding basic contingency plan procedures to be used in the initial response to a spill or a threatened spill; and

(v) Annually review the plan for accuracy.

(d) Federal oil spill response plans created pursuant to 33 U.S.C. Sec. 1321 may be submitted in lieu of contingency plans by a class III railroad transporting oil in bulk that is not crude oil.

(e) For the purposes of this section, "class III railroad" has the same meaning as defined by the United States surface transportation board as of January 1, 2017.

(4)(a) The owner or operator of a facility shall submit the contingency plan for the facility.

(b) A person who has contracted with a facility to provide containment and cleanup services and who meets the standards established pursuant to RCW 90.56.240, may submit the plan for any facility for which the person is contractually obligated to provide services. Subject to conditions imposed by the department, the person may submit a single plan for more than one facility.

(5) A contingency plan prepared for an agency of the federal government or another state that satisfies the requirements of this section and rules adopted by the department may be accepted by the department as a contingency plan under this section. The department shall ensure that to the greatest extent possible, requirements for contingency plans under this section are consistent with the requirements for contingency plans under federal law.

(6) In reviewing the contingency plans required by this section, the department shall consider at least the following factors:

(a) The adequacy of containment and cleanup equipment, personnel, communications equipment, notification procedures and call down lists, response time, and logistical arrangements for coordination and implementation of response efforts to remove oil spills promptly and properly and to protect the environment;

(b) The nature and amount of vessel traffic within the area covered by the plan;

(c) The volume and type of oil being transported within the area covered by the plan;

(d) The existence of navigational hazards within the area covered by the plan;

(e) The history and circumstances surrounding prior spills of oil within the area covered by the plan;

(f) The sensitivity of fisheries, shellfish beds, and wildlife and other natural resources within the area covered by the plan;

(g) Relevant information on previous spills contained in on-scene coordinator reports prepared by the department; and

(h) The extent to which reasonable, cost-effective measures to prevent a likelihood that a spill will occur have been incorporated into the plan.

(7) The department shall approve a contingency plan only if it determines that the plan meets the requirements of this section and that, if implemented, the plan is capable, in terms of personnel, materials, and equipment, of removing oil promptly and properly and minimizing any damage to the environment.

(8) The approval of the contingency plan shall be valid for five years. Upon approval of a contingency plan, the department shall provide to the person submitting the plan a statement indicating that the plan has been approved, the facilities or vessels covered by the plan, and other information the department determines should be included.

(9) An owner or operator of a facility shall notify the department in writing immediately of any significant change of which it is aware affecting its contingency plan, including changes in any factor set forth in this section or in rules adopted by the department. The department may require the owner or operator to update a contingency plan as a result of these changes.

(10) The department by rule shall require contingency plans to be reviewed, updated, if necessary, and resubmitted to the department at least once every five years.

(11) Approval of a contingency plan by the department does not constitute an express assurance regarding the adequacy of the plan nor constitute a defense to liability imposed under this chapter or other state law.

NEW SECTION. Sec. 302. A new section is added to chapter 90.56 RCW to read as follows:

By December 31, 2019, consistent with the authority under RCW 90.56.210, the department must update rules for contingency plans to require:

(1) Covered facilities to address situations where oils, depending on their qualities, weathering, environmental factors, and method of discharge, may submerge or sink in water; and

(2) Standards for best achievable protection for situations involving the oils in subsection (1) of this section.

Sec. 303. RCW 90.56.240 and 1990 c 116 s 4 are each amended to read as follows:

(1) The department shall by rule establish standards for persons who contract to provide spill management, cleanup, and containment services under contingency plans approved under RCW 90.56.210.

(2) For the purposes of this section, "spill management" means managing:

(a) Some or all aspects of a response, containment, and cleanup of a spill, and utilizing an incident command or unified command structure; or

(b) Wildlife rehabilitation and recovery services for a spill response.

Sec. 304. RCW 90.56.569 and 2015 c 274 s 25 are each amended to read as follows:

(1) The department must provide to the relevant policy and fiscal committees of the senate and house of representatives(:

~~(a) A review of all state geographic response plans and any federal requirements as needed in contingency plans required under RCW 90.56.210 and 88.46.060 by December 31, 2015; and~~

~~(b)) updates ((every two years, beginning)) by December 31, ((2017)) 2019, and ((ending)) December 31, 2021, consistent with the requirements of RCW 43.01.036, as to the progress made in completing state and federal geographic response plans as needed in contingency plans required under RCW 90.56.060, 90.56.210, and 88.46.060.~~

~~(2) ((The department must contract, if practicable, with eligible independent third parties to ensure completion by December 1, 2017, of at least fifty percent of the geographic response plans as needed in contingency plans required under RCW 90.56.210 and 88.46.060 for the state.)) In its updates of geographic response plans, the department must address situations where oils, depending on their qualities, weathering, environmental factors, and method of discharge, may submerge or sink in water.~~

(3) All requirements in this section are subject to the availability of amounts appropriated for the specific purposes described.

NEW SECTION. Sec. 305. A new section is added to chapter 90.56 RCW to read as follows:

(1) The department is responsible for requiring joint large-scale, multiple plan equipment deployment drills of onshore and offshore facilities and covered vessels under chapter 88.46 RCW to determine the adequacy of the owner's or operator's compliance with the contingency plan requirements of this chapter and chapter 88.46 RCW. The department must order at least one drill as outlined in this section every three years, which must address situations where oils, depending on their qualities, weathering, environmental factors, and method of discharge, may submerge or sink in water.

(2) Drills required under this section must focus on, at a minimum, the following:

(a) The functional ability for multiple contingency plans to be simultaneously activated with the purpose of testing the ability for dedicated equipment and trained personnel cited in multiple contingency plans to be activated in a large-scale spill; and

(b) The operational readiness during both the first six hours of a spill and, at the department's discretion, over multiple operational periods of response.

(3) Drills required under this section may be incorporated into other drill requirements under this chapter to avoid increasing the number of drills and equipment deployments otherwise required.

(4) Each successful drill conducted under this section may be considered by the department as a drill of the underlying contingency plan and credit may be awarded to the plan holder accordingly.

(5) The department must prioritize drills for situations where oils, depending on their qualities, weathering, environmental factors, and method of discharge, may submerge or sink in water.

PART 4

SEVERABILITY AND EMERGENCY CLAUSE

NEW SECTION. Sec. 401. 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. 402. Sections 102, 103, and 206 of this act are necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and take effect April 1, 2018.

Passed by the Senate March 3, 2018.

Passed by the House March 7, 2018.

Approved by the Governor March 23, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 263

[Substitute Senate Bill 6273]

HOSPITAL CHARITY CARE--NOTICE

AN ACT Relating to delineating charity care and notice requirements without restricting charity care; amending RCW 70.170.020 and 70.170.060; and providing an effective date.

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

Sec. 1. RCW 70.170.020 and 1995 c 269 s 2203 are each amended to read as follows:

As used in this chapter:

(1) "Department" means department of health.

(2) "Hospital" means any health care institution which is required to qualify for a license under RCW 70.41.020(~~((2))~~) (7); or as a psychiatric hospital under chapter 71.12 RCW.

(3) "Secretary" means secretary of health.

(4) "Charity care" means medically necessary hospital health care rendered to indigent persons when third-party coverage, if any, has been exhausted, to the extent that the persons are unable to pay for the care or to pay deductibles or coinsurance amounts required by a third-party payer, as determined by the department.

(5) "Third-party coverage" means an obligation on the part of an insurance company, health care service contractor, health maintenance organization, group

health plan, government program, tribal health benefits, or health care sharing ministry as defined in 26 U.S.C. Sec. 5000A to pay for the care of covered patients and services, and may include settlements, judgments, or awards actually received related to the negligent acts of others which have resulted in the medical condition for which the patient has received hospital health care service. The pendency of such settlements, judgments, or awards must not stay hospital obligations to consider an eligible patient for charity care.

(6) "Sliding fee schedule" means a hospital-determined, publicly available schedule of discounts to charges for persons deemed eligible for charity care; such schedules shall be established after consideration of guidelines developed by the department.

~~((6))~~ (7) "Special studies" means studies which have not been funded through the department's biennial or other legislative appropriations.

Sec. 2. RCW 70.170.060 and 1998 c 245 s 118 are each amended to read as follows:

(1) No hospital or its medical staff shall adopt or maintain admission practices or policies which result in:

(a) A significant reduction in the proportion of patients who have no third-party coverage and who are unable to pay for hospital services;

(b) A significant reduction in the proportion of individuals admitted for inpatient hospital services for which payment is, or is likely to be, less than the anticipated charges for or costs of such services; or

(c) The refusal to admit patients who would be expected to require unusually costly or prolonged treatment for reasons other than those related to the appropriateness of the care available at the hospital.

(2) No hospital shall adopt or maintain practices or policies which would deny access to emergency care based on ability to pay. No hospital which maintains an emergency department shall transfer a patient with an emergency medical condition or who is in active labor unless the transfer is performed at the request of the patient or is due to the limited medical resources of the transferring hospital. Hospitals must follow reasonable procedures in making transfers to other hospitals including confirmation of acceptance of the transfer by the receiving hospital.

(3) The department shall develop definitions by rule, as appropriate, for subsection (1) of this section and, with reference to federal requirements, subsection (2) of this section. The department shall monitor hospital compliance with subsections (1) and (2) of this section. The department shall report individual instances of possible noncompliance to the state attorney general or the appropriate federal agency.

(4) The department shall establish and maintain by rule, consistent with the definition of charity care in RCW 70.170.020, the following:

(a) Uniform procedures, data requirements, and criteria for identifying patients receiving charity care;

(b) A definition of residual bad debt including reasonable and uniform standards for collection procedures to be used in efforts to collect the unpaid portions of hospital charges that are the patient's responsibility.

(5) For the purpose of providing charity care, each hospital shall develop, implement, and maintain a charity care policy which, consistent with subsection (1) of this section, shall enable people below the federal poverty level access to

appropriate hospital-based medical services, and a sliding fee schedule for determination of discounts from charges for persons who qualify for such discounts by January 1, 1990. The department shall develop specific guidelines to assist hospitals in setting sliding fee schedules required by this section. All persons with family income below one hundred percent of the federal poverty standard shall be deemed charity care patients for the full amount of hospital charges, ~~((provided that such persons are not eligible for other private or public health coverage sponsorship. Persons who may be eligible for charity care shall be notified by the hospital.~~

(6)) except to the extent the patient has third-party coverage for those charges.

(6) Each hospital shall post and prominently display notice of charity care availability. Notice must be posted in all languages spoken by more than ten percent of the population of the hospital service area. Notice must be displayed in at least the following locations:

(a) Areas where patients are admitted or registered;

(b) Emergency departments, if any; and

(c) Financial service or billing areas where accessible to patients.

(7) Current versions of the hospital's charity care policy, a plain language summary of the hospital's charity care policy, and the hospital's charity care application form must be available on the hospital's web site. The summary and application form must be available in all languages spoken by more than ten percent of the population of the hospital service area.

(8)(a) All hospital billing statements and other written communications concerning billing or collection of a hospital bill by a hospital must include the following or a substantially similar statement prominently displayed on the first page of the statement in both English and the second most spoken language in the hospital's service area:

You may qualify for free care or a discount on your hospital bill, whether or not you have insurance. Please contact our financial assistance office at [web site] and [phone number].

(b) Nothing in (a) of this subsection requires any hospital to alter any preprinted hospital billing statements existing as of October 1, 2018.

(9) Hospital obligations under federal and state laws to provide meaningful access for limited English proficiency and non-English-speaking patients apply to information regarding billing and charity care. Hospitals shall develop standardized training programs on the hospital's charity care policy and use of interpreter services, and provide regular training for appropriate staff, including the relevant and appropriate staff who perform functions relating to registration, admissions, or billing.

(10) Each hospital shall make every reasonable effort to determine:

(a) The existence or nonexistence of private or public sponsorship which might cover in full or part the charges for care rendered by the hospital to a patient;

(b) The annual family income of the patient as classified under federal poverty income guidelines as of the time the health care services were provided, or at the time of application for charity care if the application is made within two years of the time of service, the patient has been making good faith efforts

towards payment of health care services rendered, and the patient demonstrates eligibility for charity care; and

(c) The eligibility of the patient for charity care as defined in this chapter and in accordance with hospital policy. An initial determination of sponsorship status shall precede collection efforts directed at the patient.

((7)) (11) At the hospital's discretion, a hospital may consider applications for charity care at any time, including any time there is a change in a patient's financial circumstances.

(12) The department shall monitor the distribution of charity care among hospitals, with reference to factors such as relative need for charity care in hospital service areas and trends in private and public health coverage. The department shall prepare reports that identify any problems in distribution which are in contradiction of the intent of this chapter. The report shall include an assessment of the effects of the provisions of this chapter on access to hospital and health care services, as well as an evaluation of the contribution of all purchasers of care to hospital charity care.

((8)) (13) The department shall issue a report on the subjects addressed in this section at least annually, with the first report due on July 1, 1990.

NEW SECTION, Sec. 3. This act takes effect October 1, 2018.

Passed by the Senate March 6, 2018.

Passed by the House February 28, 2018.

Approved by the Governor March 23, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 264

[Substitute Senate Bill 6214]

INDUSTRIAL INSURANCE--POSTTRAUMATIC STRESS DISORDERS--LAW ENFORCEMENT OFFICERS AND FIREFIGHTERS

AN ACT Relating to industrial insurance coverage for posttraumatic stress disorders affecting law enforcement officers and firefighters; amending RCW 51.08.142 and 51.32.185; and adding a new section to chapter 51.08 RCW.

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

NEW SECTION, Sec. 1. A new section is added to chapter 51.08 RCW to read as follows:

"Posttraumatic stress disorder" means a disorder that meets the diagnostic criteria for posttraumatic stress specified by the American psychiatric association in the diagnostic and statistics manual of mental disorders, fifth edition, or in a later edition as adopted by the department in rule.

Sec. 2. RCW 51.08.142 and 1988 c 161 s 16 are each amended to read as follows:

(1) Except as provided in subsection (2) of this section, the department shall adopt a rule pursuant to chapter 34.05 RCW that claims based on mental conditions or mental disabilities caused by stress do not fall within the definition of occupational disease in RCW 51.08.140.

(2)(a) Except as provided in (b) and (c) of this subsection, the rule adopted under subsection (1) of this section shall not apply to occupational disease claims resulting from posttraumatic stress disorders of firefighters as defined in

RCW 41.26.030(16) (a), (b), (c), and (h) and firefighters, including supervisors, employed on a full-time, fully compensated basis as a firefighter of a private sector employer's fire department that includes over fifty such firefighters, and law enforcement officers as defined in RCW 41.26.030(18) (b), (c), and (e).

(b) For firefighters as defined in RCW 41.26.030(16) (a), (b), (c), and (h) and firefighters, including supervisors, employed on a full-time, fully compensated basis as a firefighter of a private sector employer's fire department that includes over fifty such firefighters, and law enforcement officers as defined in RCW 41.26.030(18) (b), (c), and (e) hired after the effective date of this section, (a) of this subsection only applies if the firefighter or law enforcement officer, as a condition of employment, has submitted to a psychological examination administered by a psychiatrist licensed in the state of Washington under chapter 18.71 RCW or a psychologist licensed in the state of Washington under chapter 18.83 RCW that ruled out the presence of posttraumatic stress disorder from preemployment exposures. If the employer does not provide the psychological examination, (a) of this subsection applies.

(c) Posttraumatic stress disorder for purposes of this subsection (2) is not considered an occupational disease if the disorder is directly attributed to disciplinary action, work evaluation, job transfer, layoff, demotion, termination, or similar action taken in good faith by an employer.

Sec. 3. RCW 51.32.185 and 2007 c 490 s 2 are each amended to read as follows:

(1)(a) In the case of firefighters as defined in RCW 41.26.030(~~((4))~~) (16) (a), (b), and (c) who are covered under this title (~~(51-RCW)~~) and firefighters, including supervisors, employed on a full-time, fully compensated basis as a firefighter of a private sector employer's fire department that includes over fifty such firefighters, there shall exist a prima facie presumption that: (~~((a))~~) (i) Respiratory disease; (~~((b))~~) (ii) any heart problems, experienced within seventy-two hours of exposure to smoke, fumes, or toxic substances, or experienced within twenty-four hours of strenuous physical exertion due to firefighting activities; (~~((c))~~) (iii) cancer; and (~~((d))~~) (iv) infectious diseases are occupational diseases under RCW 51.08.140.

(b) In the case of firefighters as defined in RCW 41.26.030(16) (a), (b), (c), and (h) and firefighters, including supervisors, employed on a full-time, fully compensated basis as a firefighter of a private sector employer's fire department that includes over fifty such firefighters, and law enforcement officers as defined in RCW 41.26.030(18) (b), (c), and (e), who are covered under this title, there shall exist a prima facie presumption that posttraumatic stress disorder is an occupational disease under RCW 51.08.140.

(c) This presumption of occupational disease established in (a) and (b) of this subsection may be rebutted by a preponderance of the evidence. Such evidence may include, but is not limited to, use of tobacco products, physical fitness and weight, lifestyle, hereditary factors, and exposure from other employment or nonemployment activities.

(2) The presumptions established in subsection (1) of this section shall be extended to an applicable member following termination of service for a period of three calendar months for each year of requisite service, but may not extend more than sixty months following the last date of employment.

(3) The presumption established in subsection (1)(~~(e)~~) (a)(iii) of this section shall only apply to any active or former firefighter who has cancer that develops or manifests itself after the firefighter has served at least ten years and who was given a qualifying medical examination upon becoming a firefighter that showed no evidence of cancer. The presumption within subsection (1)(~~(e)~~) (a)(iii) of this section shall only apply to prostate cancer diagnosed prior to the age of fifty, primary brain cancer, malignant melanoma, leukemia, non-Hodgkin's lymphoma, bladder cancer, ureter cancer, colorectal cancer, multiple myeloma, testicular cancer, and kidney cancer.

(4) The presumption established in subsection (1)(~~(d)~~) (a)(iv) of this section shall be extended to any firefighter who has contracted any of the following infectious diseases: Human immunodeficiency virus/acquired immunodeficiency syndrome, all strains of hepatitis, meningococcal meningitis, or mycobacterium tuberculosis.

(5) The presumption established in subsection (1)(b) of this section only applies to active or former firefighters as defined in RCW 41.26.030(16) (a), (b), (c), and (h) and firefighters, including supervisors, employed on a full-time, fully compensated basis as a firefighter of a private sector employer's fire department that includes over fifty such firefighters, and law enforcement officers as defined in RCW 41.26.030(18) (b), (c), and (e) who have posttraumatic stress disorder that develops or manifests itself after the individual has served at least ten years.

(6) If the employer does not provide the psychological exam as specified in RCW 51.08.142 and the employee otherwise meets the requirements for the presumption established in subsection (1)(b) of this section, the presumption applies.

(7) Beginning July 1, 2003, this section does not apply to a firefighter who develops a heart or lung condition and who is a regular user of tobacco products or who has a history of tobacco use. The department, using existing medical research, shall define in rule the extent of tobacco use that shall exclude a firefighter from the provisions of this section.

~~((6))~~ (8) For purposes of this section, "firefighting activities" means fire suppression, fire prevention, emergency medical services, rescue operations, hazardous materials response, aircraft rescue, and training and other assigned duties related to emergency response.

~~((7))~~ (9)(a) When a determination involving the presumption established in this section is appealed to the board of industrial insurance appeals and the final decision allows the claim for benefits, the board of industrial insurance appeals shall order that all reasonable costs of the appeal, including attorney fees and witness fees, be paid to the firefighter or his or her beneficiary by the opposing party.

(b) When a determination involving the presumption established in this section is appealed to any court and the final decision allows the claim for benefits, the court shall order that all reasonable costs of the appeal, including attorney fees and witness fees, be paid to the firefighter or his or her beneficiary by the opposing party.

(c) When reasonable costs of the appeal must be paid by the department under this section in a state fund case, the costs shall be paid from the accident fund and charged to the costs of the claim.

Passed by the Senate February 9, 2018.

Passed by the House February 28, 2018.

Approved by the Governor March 23, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 265

[Senate Bill 6188]

LAW ENFORCEMENT AGENCY DISCIPLINARY ACTIONS--POTENTIAL IMPEACHMENT LIST

AN ACT Relating to fairness in disciplinary actions of peace officers who appear on a prosecuting attorney's potential impeachment list; adding a new section to chapter 10.93 RCW; and creating a new section.

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

NEW SECTION. Sec. 1. The United States supreme court has consistently found that prosecutors have the duty to disclose potentially exculpatory evidence to defense attorneys prior to trial. Some of the information that is being disclosed about government witnesses, often law enforcement officers, has not been substantiated or proven to any degree. This act prohibits a law enforcement agency from taking punitive action against a peace officer solely because the officer's name was placed on a potential impeachment list. This act specifically does not prohibit a law enforcement agency from taking punitive or personnel action against a peace officer based on the underlying acts or omissions for which that officer's name was placed on the list.

NEW SECTION. Sec. 2. A new section is added to chapter 10.93 RCW to read as follows:

A disciplinary action or any other adverse personnel action may not be undertaken by a law enforcement agency against a peace officer solely because that officer's name has been placed on a list maintained by a prosecuting attorney's office of recurring witnesses for whom there is known potential impeachment information, or that the officer's name may otherwise be subject to disclosure pursuant to *Brady v. Maryland*, 373 U.S. 83 (1963). This section does not prohibit a law enforcement agency from taking disciplinary action or any other adverse personnel action against a peace officer based on the underlying acts or omissions for which that officer's name was placed on a prosecutor-maintained list, or may otherwise be subject to disclosure pursuant to *Brady v. Maryland*, 373 U.S. 83 (1963), if the actions taken by the law enforcement agency otherwise conform to the rules and procedures adopted by the law enforcement agency as determined through collective bargaining.

Passed by the Senate February 9, 2018.

Passed by the House March 2, 2018.

Approved by the Governor March 23, 2018.

Filed in Office of Secretary of State March 26, 2018.

CHAPTER 266

[Engrossed Second Substitute Senate Bill 6362]

BASIC EDUCATION FUNDING

AN ACT Relating to modifying basic education funding provisions; amending RCW 28A.150.260, 28A.150.390, 28A.165.055, 28A.150.392, 28A.150.410, 28A.150.412, 28A.400.006, 28A.400.200, 28A.400.205, 41.56.800, 41.59.800, 28A.150.276, 28A.320.330, 28A.500.015, 28A.505.240, 84.52.053, 84.52.0531, 28A.150.415, 28A.710.280, 28A.715.040, 72.40.028, 43.09.2856, and 28A.505.140; adding a new section to chapter 28A.160 RCW; adding new sections to chapter 28A.300 RCW; adding a new section to chapter 84.52 RCW; adding a new section to chapter 28A.320 RCW; creating new sections; repealing RCW 28A.415.020, 28A.415.023, and 28A.415.024; making an appropriation; providing an effective date; and providing expiration dates.

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

PART I: PROGRAM FUNDING

Sec. 101. RCW 28A.150.260 and 2017 3rd sp.s. c 13 s 402 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)(a) The distribution formula under this section shall be for allocation purposes only. Except as may be required under subsections (4)(b) and (c) and (9) of this section, 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.

(b) To promote transparency in state funding allocations, the superintendent of public instruction must report state per-pupil allocations for each school district for the general apportionment, special education, learning assistance, transitional bilingual, highly capable, and career and technical education programs. The superintendent must also report state general apportionment per-pupil allocations by grade for each school district. The superintendent must report this information in a user-friendly format on the main page of the office's web site and on school district apportionment reports. School districts must include a link to the superintendent's per-pupil allocations report on the main page of the school district's web site. In addition, the budget documents published by the legislature for the enacted omnibus operating appropriations act must report statewide average per-pupil allocations for general apportionment and the categorical programs listed in this subsection.

(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	17.00
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)(i) Beginning September 1, ((2018)) 2019, funding for average K-3 class sizes in this subsection (4) may be provided only to the extent of, and proportionate to, the school district's demonstrated actual class size in grades K-3, up to the funded class sizes.

(ii) The office of the superintendent of public instruction shall develop rules to implement this subsection (4)(b).

(c)(i) 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	23.00
Skill center programs meeting the standards established by the office of the superintendent of public instruction	20.00

(ii) Funding allocated under this subsection (4)(c) is subject to RCW 28A.150.265.

(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 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	1.216	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	0.0825	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 (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) 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 as provided in the 2017-18 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	\$130.76
Utilities and insurance.	\$355.30
Curriculum and textbooks.	\$140.39
Other supplies ((and library materials))	(\$298.05) <u>\$278.05</u>
<u>Library materials</u>	<u>\$20.00</u>
Instructional professional development for certificated and classified staff	\$21.71
Facilities maintenance.	\$176.01
Security and central office administration	\$121.94

(b) In addition to the amounts provided in (a) 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))	<u>\$77.28</u>
<u>Library materials</u>	<u>\$5.56</u>
Instructional professional development for certificated and classified staff	\$6.04

(9) In addition to the amounts provided in subsection (8) of this section and subject to RCW 28A.150.265, 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) Preparatory career and technical education courses for students in grades nine through twelve offered in a high school; and
- (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)(i) To provide supplemental instruction and services for students who are not meeting academic standards 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, 2.3975 hours per week in extra instruction with a class size of fifteen learning assistance program students per teacher.

(ii) In addition to funding allocated under (a)(i) of this subsection, to provide supplemental instruction and services for students who are not meeting academic standards in ~~((schools where at least fifty percent of students are eligible for free and reduced-price meals))~~ qualifying schools. A qualifying school means a school in which the three-year rolling average of the prior year total annual average enrollment that qualifies for free or reduced-price meals equals or exceeds fifty percent or more of its total annual average enrollment. The minimum allocation for this additional high poverty-based allocation must provide for each level of prototypical school resources to provide, on a statewide average, 1.1 hours per week in extra instruction with a class size of fifteen learning assistance program students per teacher, under RCW 28A.165.055, school districts must distribute the high poverty-based allocation to the schools that generated the funding allocation.

(b)(i) 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 for students in grades kindergarten through six and 6.7780 hours per week in extra instruction for students in grades seven through twelve, 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.

(ii) To provide supplemental instruction and services for students who have exited the transitional bilingual program, allocations shall be based on the head count number of students in each school who have exited the transitional bilingual program within the previous two years based on their performance on the English proficiency assessment and are eligible for and enrolled in the transitional bilingual instruction program under RCW 28A.180.040(1)(g). The minimum allocation for each prototypical school shall provide resources to provide, on a statewide average, 3.0 hours per week in extra instruction with fifteen exited students per teacher.

(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 5.0 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), (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.

Sec. 102. RCW 28A.150.390 and 2017 3rd sp.s. c 13 s 406 are each amended to read as follows:

(1) The superintendent of public instruction shall submit to each regular session of the legislature during an odd-numbered year a programmed budget request for special education programs for students with disabilities. Funding for programs operated by local school districts shall be on an excess cost basis from appropriations provided by the legislature for special education programs for students with disabilities and shall take account of state funds accruing through RCW 28A.150.260 (4)(a), (5), (6), and (8) and 28A.150.415.

(2) The excess cost allocation to school districts shall be based on the following:

(a) A district's annual average headcount enrollment of students ages birth through four and those five year olds not yet enrolled in kindergarten who are eligible for and enrolled in special education, multiplied by the district's base allocation per full-time equivalent student, multiplied by 1.15; and

(b) A district's annual average full-time equivalent basic education enrollment, multiplied by the district's funded enrollment percent, multiplied by the district's base allocation per full-time equivalent student, multiplied by (~~(0.9309)~~) 0.9609.

(3) As used in this section:

(a) "Base allocation" means the total state allocation to all schools in the district generated by the distribution formula under RCW 28A.150.260 (4)(a), (5), (6), and (8) and 28A.150.415, to be divided by the district's full-time equivalent enrollment.

(b) "Basic education enrollment" means enrollment of resident students including nonresident students enrolled under RCW 28A.225.225 and students from nonhigh districts enrolled under RCW 28A.225.210 and excluding students residing in another district enrolled as part of an interdistrict cooperative program under RCW 28A.225.250.

(c) "Enrollment percent" means the district's resident special education annual average enrollment, excluding students ages birth through four and those five year olds not yet enrolled in kindergarten, as a percent of the district's annual average full-time equivalent basic education enrollment.

(d) "Funded enrollment percent" means the lesser of the district's actual enrollment percent or thirteen and five-tenths percent.

NEW SECTION. **Sec. 103.** A new section is added to chapter 28A.160 RCW to read as follows:

(1) Subject to the availability of amounts appropriated for this specific purpose, a transportation alternate funding grant program is created.

(2) As part of the award process for the grants, the superintendent of public instruction must include a review of the school district's efficiency rating, key performance indicators, and local school district characteristics such as unique geographic constraints, low enrollment, geographic density of students, the percentage of students served under the McKinney-Vento homeless assistance act from outside the district, or whether the district is a nonhigh district.

Sec. 104. RCW 28A.165.055 and 2017 3rd sp.s. c 13 s 405 are each amended to read as follows:

(1) The funds for the learning assistance program shall be appropriated in accordance with RCW 28A.150.260 and the omnibus appropriations act. The distribution formula is for school district allocation purposes only, except as provided in RCW 28A.150.260(10)(a)(ii), but all funds appropriated for the learning assistance program must be expended for the purposes of RCW 28A.165.005 through 28A.165.065.

(2) A district's high poverty-based allocation is generated by its qualifying schools ((buildings)) as defined in RCW 28A.150.260(10) and must be expended by the district for those ((buildings)) schools. This funding must supplement and not supplant the district's expenditures under this chapter for those schools ((buildings)).

NEW SECTION. Sec. 105. A new section is added to chapter 28A.300 RCW to read as follows:

(1) The superintendent of public instruction must require school districts to have identification procedures for their highly capable programs that are clearly stated and implemented by school districts using the following criteria:

(a) Districts must use multiple objective criteria to identify students who are among the most highly capable. Multiple pathways for qualifications must be available and no single criterion may disqualify a student from identification;

(b) Highly capable selection decisions must be based on consideration of criteria benchmarked on local norms, but local norms may not be used as a more restrictive criteria than national norms at the same percentile;

(c) Subjective measures such as teacher recommendations or report card grades may not be used to screen out a student from assessment. These data points may be used alongside other criteria during selection to support identification, but may not be used to disqualify a student from being identified; and

(d) To the extent practicable, screening and assessments must be given in the native language of the student. If native language screening and assessments are not available, a nonverbal screening and assessment must be used.

(2) The superintendent of public instruction must disseminate guidance on referral, screening, assessment, selection, and placement best practices for highly capable programs. The guidance must be regularly updated and aligned with evidence-based practices.

Sec. 106. RCW 28A.150.392 and 2017 3rd sp.s. c 13 s 407 are each amended to read as follows:

(1)(a) To the extent necessary, funds shall be made available for safety net awards for districts with demonstrated needs for special education funding

beyond the amounts provided through the special education funding formula under RCW 28A.150.390.

(b) If the federal safety net awards based on the federal eligibility threshold exceed the federal appropriation in any fiscal year, then the superintendent shall expend all available federal discretionary funds necessary to meet this need.

(2) Safety net funds shall be awarded by the state safety net oversight committee subject to the following conditions and limitations:

(a) The committee shall award additional funds for districts that can convincingly demonstrate that all legitimate expenditures for special education exceed all available revenues from state funding formulas.

(b) In the determination of need, the committee shall consider additional available revenues from federal sources.

(c) Differences in program costs attributable to district philosophy, service delivery choice, or accounting practices are not a legitimate basis for safety net awards.

(d) In the determination of need, the committee shall require that districts demonstrate that they are maximizing their eligibility for all state revenues related to services for special education-eligible students and all federal revenues from federal impact aid, medicaid, and the individuals with disabilities education act-Part B and appropriate special projects. Awards associated with (e) and (f) of this subsection shall not exceed the total of a district's specific determination of need.

(e) The committee shall then consider the extraordinary high cost needs of one or more individual special education students. Differences in costs attributable to district philosophy, service delivery choice, or accounting practices are not a legitimate basis for safety net awards.

(f) Using criteria developed by the committee, the committee shall then consider extraordinary costs associated with communities that draw a larger number of families with children in need of special education services, which may include consideration of proximity to group homes, military bases, and regional hospitals. Safety net awards under this subsection (2)(f) shall be adjusted to reflect amounts awarded under (e) of this subsection.

(g) The committee shall then consider the extraordinary high cost needs of one or more individual special education students served in residential schools as defined in RCW 28A.190.020, programs for juveniles under the department of corrections, and programs for juveniles operated by city and county jails to the extent they are providing a program of education for students enrolled in special education.

(h) The maximum allowable indirect cost for calculating safety net eligibility may not exceed the federal restricted indirect cost rate for the district plus one percent.

~~((h))~~ (i) Safety net awards shall be adjusted based on the percent of potential medicaid eligible students billed as calculated by the superintendent of public instruction in accordance with chapter 318, Laws of 1999.

~~((i))~~ (j) Safety net awards must be adjusted for any audit findings or exceptions related to special education funding.

(3) The superintendent of public instruction shall adopt such rules and procedures as are necessary to administer the special education funding and safety net award process. By ~~((September 1, 2019))~~ December 1, 2018, the

superintendent shall review and revise the rules to achieve full and complete implementation of the requirements of this subsection and subsection (4) of this section including revisions to rules that provide additional flexibility to access community impact awards. Before revising any standards, procedures, or rules, the superintendent shall consult with the office of financial management and the fiscal committees of the legislature. In adopting and revising the rules, the superintendent shall ensure the application process to access safety net funding is streamlined, timelines for submission are not in conflict, feedback to school districts is timely and provides sufficient information to allow school districts to understand how to correct any deficiencies in a safety net application, and that there is consistency between awards approved by school district and by application period. The office of the superintendent of public instruction shall also provide technical assistance to school districts in preparing and submitting special education safety net applications.

(4) On an annual basis, the superintendent shall survey districts regarding their satisfaction with the safety net process and consider feedback from districts to improve the safety net process. Each year by December 1st, the superintendent shall prepare and submit a report to the office of financial management and the appropriate policy and fiscal committees of the legislature that summarizes the survey results and those changes made to the safety net process as a result of the school district feedback.

(5) The safety net oversight committee appointed by the superintendent of public instruction shall consist of:

(a) One staff member from the office of the superintendent of public instruction;

(b) Staff of the office of the state auditor who shall be nonvoting members of the committee; and

(c) One or more representatives from school districts or educational service districts knowledgeable of special education programs and funding.

PART II: COMPENSATION

NEW SECTION. **Sec. 201.** The legislature recognizes that Initiative Measure No. 1433 was approved by the voters of the state of Washington in 2016 requiring employers to provide paid sick leave to each of its employees. The legislature acknowledges that the enactment of this initiative contributes to the costs of operations of the state's public schools and intends to provide funding in the omnibus appropriations act to support school districts with these additional costs.

Sec. 202. RCW 28A.150.410 and 2017 3rd sp.s. c 13 s 101 are each amended to read as follows:

(1) Through the 2017-18 school year, the legislature shall establish for each school year in the appropriations act a statewide salary allocation schedule, for allocation purposes only, to be used to distribute funds for basic education certificated instructional staff salaries under RCW 28A.150.260. For the purposes of this section, the staff allocations for classroom teachers, teacher-librarians, guidance counselors, and student health services staff under RCW 28A.150.260 are considered allocations for certificated instructional staff.

(2) Through the 2017-18 school year, salary allocations for state-funded basic education certificated instructional staff shall be calculated by the

superintendent of public instruction by determining the district's average salary for certificated instructional staff, using the statewide salary allocation schedule and related documents, conditions, and limitations established by the omnibus appropriations act.

(3) Through the 2017-18 school year, no more than ninety college quarter-hour credits received by any employee after the baccalaureate degree may be used to determine compensation allocations under the state salary allocation schedule and LEAP documents referenced in the omnibus appropriations act, or any replacement schedules and documents, unless:

(a) The employee has a master's degree; or

(b) The credits were used in generating state salary allocations before January 1, 1992.

(4) Beginning in the 2007-08 school year and through the 2017-18 school year, the calculation of years of service for occupational therapists, physical therapists, speech-language pathologists, audiologists, nurses, social workers, counselors, and psychologists regulated under Title 18 RCW may include experience in schools and other nonschool positions as occupational therapists, physical therapists, speech-language pathologists, audiologists, nurses, social workers, counselors, or psychologists. The calculation shall be that one year of service in a nonschool position counts as one year of service for purposes of this chapter, up to a limit of two years of nonschool service. Nonschool years of service included in calculations under this subsection shall not be applied to service credit totals for purposes of any retirement benefit under chapter 41.32, 41.35, or 41.40 RCW, or any other state retirement system benefits.

(5) By the ~~((2019-20))~~ 2018-19 school year, the minimum state allocation for salaries for certificated instructional staff in the basic education program must be increased ~~((beginning in the 2018-19 school year))~~ to provide a statewide average allocation of sixty-four thousand dollars adjusted for inflation from the 2017-18 school year.

(6) By the ~~((2019-20))~~ 2018-19 school year, the minimum state allocation for salaries for certificated administrative staff in the basic education program must be increased ~~((beginning in the 2018-19 school year))~~ to provide a statewide average allocation of ninety-five thousand dollars adjusted for inflation from the 2017-18 school year.

(7) By the ~~((2019-20))~~ 2018-19 school year, the minimum state allocation for salaries for classified staff in the basic education program must be increased ~~((beginning in the 2018-19 school year))~~ to provide a statewide average allocation of forty-five thousand nine hundred twelve dollars adjusted by inflation from the 2017-18 school year.

(8) ~~((To implement the new minimum salary allocations in subsections (5) through (7) of this section, the legislature must fund fifty percent of the increased salary allocation in the 2018-19 school year and the entire increased salary allocation in the 2019-20 school year.))~~ For school year 2018-19, a district's minimum state allocation for salaries is the greater of the district's 2017-18 state salary allocation, adjusted for inflation, or the district's allocation based on the state salary level specified in subsections (5) through (7) of this section, and as further specified in the omnibus appropriations act.

(9) Beginning with the 2018-19 school year, state allocations for salaries for certificated instructional staff, certificated administrative staff, and classified

staff must be adjusted for regional differences in the cost of hiring staff. Adjustments for regional differences must be specified in the omnibus appropriations act for each school year through at least school year 2022-23. For school years 2018-19 through school year 2022-23, the school district regionalization factors are based on the median single-family residential value of each school district and proximate school district median single-family residential value as described in RCW 28A.150.412.

(10) Beginning with the 2023-24 school year and every ~~((six))~~ four years thereafter, the minimum state salary allocations and school district regionalization factors for certificated instructional staff, certificated ~~((administration [administrative]))~~ administrative staff, and classified staff must be reviewed and rebased, as provided under RCW 28A.150.412, to ensure that state salary allocations continue to align with staffing costs for the state's program of basic education.

(11) For the purposes of this section, "inflation" has the meaning provided in RCW 28A.400.205 for "inflationary adjustment index."

Sec. 203. RCW 28A.150.412 and 2017 3rd sp.s. c 13 s 104 are each amended to read as follows:

(1) Beginning with the 2023 regular legislative session, and every ~~((six))~~ four years thereafter, the legislature shall review and rebase state basic education compensation allocations compared to school district compensation data, regionalization factors, what inflationary measure is the most representative of actual market experience for school districts, and other economic information. The legislature shall revise the minimum allocations ~~((and))~~, regionalization factors, and inflationary measure if necessary to ensure that state basic education allocations continue to provide market-rate salaries and that regionalization adjustments reflect actual economic differences between school districts.

(2)(a) For school districts with single-family residential values above the statewide median residential value, regionalization factors for school years 2018-19 through school year 2022-23 are as follows:

(i) For school districts in tercile 1, state salary allocations for school district employees are regionalized by six percent;

(ii) For school districts in tercile 2, state salary allocations for school district employees are regionalized by twelve percent; and

(iii) For school districts in tercile 3, state salary allocations for school district employees are regionalized by eighteen percent.

(b) In addition to the regionalization factors specified in (a) of this subsection, school districts located west of the crest of the Cascade mountains and sharing a boundary with any school district with a regionalization factor more than one tercile higher, are regionalized by six additional percentage points.

(c) In addition to the regionalization factors specified in this subsection, for school districts that have certificated instructional staff median years of experience that exceed the statewide average certificated instructional staff years of experience and a ratio of certificated instructional staff advanced degrees to bachelor degrees above the statewide ratio, an experience factor of four percentage points is added to the regionalization factor, beginning in the 2019-20 school year.

(d) Additional school district adjustments are identified in the omnibus appropriations act, and these adjustments are partially reduced or eliminated by the 2022-23 school year as follows:

(i) Adjustments that increase the regionalization factor to a value that is greater than the tercile 3 regionalization factor must be reduced by two percentage points each school year beginning with school year 2020-21, through 2022-23.

(ii) Adjustments that increase the regionalization factor to a value that is less than or equal to the tercile 3 regionalization factor must be reduced by one percentage point each school year beginning with school year 2020-21, through 2022-23.

(3) To aid the legislature in reviewing and rebasing regionalization factors, the department of revenue shall, by November 1, 2022, and by November 1st every ~~((six))~~ four years thereafter, determine the median single-family residential value of each school district as well as the median value of proximate districts within fifteen miles of the boundary of the school district for which the median residential value is being calculated.

(4) No district may receive less state funding for the minimum state salary allocation as compared to its prior school year salary allocation as a result of adjustments that reflect updated regionalized salaries.

(5) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Median residential value of each school district" means the median value of all single-family residential parcels included within a school district and any other school district that is proximate to the school district.

(b) "Proximate to the school district" means within fifteen miles of the boundary of the school district for which the median residential value is being calculated.

(c) "School district employees" means state-funded certificated instructional staff, certificated administrative staff, and classified staff.

(d) "School districts in tercile 1" means school districts with median single-family residential values in the first tercile of districts with single-family residential values above the statewide median residential value.

(e) "School districts in tercile 2" means school districts with median single-family residential values in the second tercile of districts with single-family residential values above the statewide median residential value.

(f) "School districts in tercile 3" means school districts with median single-family residential values in the third tercile of districts with single-family residential values above the statewide median residential value.

(g) "Statewide median residential value" means the median value of single-family residential parcels located within all school districts, reduced by five percent.

Sec. 204. RCW 28A.400.006 and 2017 3rd sp.s. c 13 s 703 are each amended to read as follows:

(1) A school district may not ~~((provide any))~~ increase average total school district expenditures for certificated administrative staff ~~((with a percentage increase to total salary))~~ for the 2018-19 school year ~~((including supplemental contracts, that exceeds the previous calendar year's annual average consumer price index, using the official current base compiled by the bureau of labor~~

statistics, United States department of labor, for the city of Seattle. However, if a district's average certificated administrative staff salary is less than the average certificated administrative salary allocated by the state for that year, the district may increase salaries not to exceed the point where the district's average certificated administrative staff salary equals the average certificated administrative staff salary allocated by the state)) in excess of the following:

(a) Annual salary inflationary adjustments based on the rate of the yearly increase of the previous calendar year's annual average consumer price index, using the official current base compiled by the bureau of labor statistics, United States department of labor, for the city of Seattle;

(b) Annual experience and education salary step increases according to what was the prior year's practice within the school district; or

(c) School districts with an average total certificated administrative staff salary less than the statewide average certificated administrative staff salary allocation used to distribute funds for basic education as estimated by the office of the superintendent of public instruction for the 2018-19 school year may provide salary increases up to the statewide average allocation.

(2) Changes to any terms of an employment contract for nonrepresented employees must comply with the same requirements established in this section.

(3) This section expires August 31, 2019.

Sec. 205. RCW 28A.400.200 and 2017 3rd sp.s. c 13 s 103 are each amended to read as follows:

(1) Every school district board of directors shall fix, alter, allow, and order paid salaries and compensation for all district employees in conformance with this section.

(2)(a) Through the 2017-18 school year, salaries for certificated instructional staff shall not be less than the salary provided in the appropriations act in the statewide salary allocation schedule for an employee with a baccalaureate degree and zero years of service;

(b) Salaries for certificated instructional staff with a master's degree shall not be less than the salary provided in the appropriations act in the statewide salary allocation schedule for an employee with a master's degree and zero years of service; and

(c) Beginning with the ~~((2019-20))~~ 2018-19 school year:

(i) Salaries for full-time certificated instructional staff must not be less than forty thousand dollars, to be adjusted for regional differences in the cost of hiring staff as specified in RCW 28A.150.410, and to be adjusted annually by the same inflationary measure as provided in RCW 28A.400.205;

(ii) Salaries for full-time certificated instructional staff with at least five years of experience must exceed by at least ten percent the value specified in (c)(i) of this subsection;

(iii) A district may not pay full-time certificated instructional staff a salary that exceeds ninety thousand dollars, subject to adjustment for regional differences in the cost of hiring staff as specified in RCW 28A.150.410. This maximum salary is adjusted annually by the inflationary measure in RCW 28A.400.205;

(iv) These minimum and maximum salaries apply to the services provided as part of the state's statutory program of basic education and exclude

supplemental contracts for additional time, responsibility, or incentive pursuant to this section or for enrichment pursuant to RCW 28A.150.276;

(v) A district may pay a salary that exceeds this maximum salary by up to ten percent for full-time certificated instructional staff: Who are educational staff associates; who teach in the subjects of science, technology, engineering, or math; or who teach in the transitional bilingual instruction or special education programs.

(3)(a)(i) Through the 2017-18 school year the actual average salary paid to certificated instructional staff shall not exceed the district's average certificated instructional staff salary used for the state basic education allocations for that school year as determined pursuant to RCW 28A.150.410.

(ii) For the 2018-19 school year, salaries for certificated instructional staff are subject to the limitations in RCW 41.59.800.

(iii) Beginning with the 2019-20 school year, for purposes of subsection (4) of this section, RCW 28A.150.276, and 28A.505.100, each school district must annually identify the actual salary paid to each certificated instructional staff for services rendered as part of the state's program of basic education.

(b) Through the 2018-19 school year, fringe benefit contributions for certificated instructional staff shall be included as salary under (a)(i) of this subsection only to the extent that the district's actual average benefit contribution exceeds the amount of the insurance benefits allocation, less the amount remitted by districts to the health care authority for retiree subsidies, provided per certificated instructional staff unit in the state operating appropriations act in effect at the time the compensation is payable. For purposes of this section, fringe benefits shall not include payment for unused leave for illness or injury under RCW 28A.400.210; employer contributions for old age survivors insurance, workers' compensation, unemployment compensation, and retirement benefits under the Washington state retirement system; or employer contributions for health benefits in excess of the insurance benefits allocation provided per certificated instructional staff unit in the state operating appropriations act in effect at the time the compensation is payable. A school district may not use state funds to provide employer contributions for such excess health benefits.

(c) Salary and benefits for certificated instructional staff in programs other than basic education shall be consistent with the salary and benefits paid to certificated instructional staff in the basic education program.

(4)(a) Salaries and benefits for certificated instructional staff may exceed the limitations in subsection (3) of this section only by separate contract for additional time, for additional responsibilities, or for incentives. Supplemental contracts shall not cause the state to incur any present or future funding obligation. Supplemental contracts must be accounted for by a school district when the district is developing its four-year budget plan under RCW 28A.505.040.

(b) Supplemental contracts shall be subject to the collective bargaining provisions of chapter 41.59 RCW and the provisions of RCW 28A.405.240, shall not exceed one year, and if not renewed shall not constitute adverse change in accordance with RCW 28A.405.300 through 28A.405.380. No district may enter into a supplemental contract under this subsection for the provision of

services which are a part of the basic education program required by Article IX, section 1 of the state Constitution and RCW 28A.150.220.

(c)(i) Beginning September 1, 2019, supplemental contracts for certificated instructional staff are subject to the following additional restrictions: School districts may enter into supplemental contracts only for enrichment activities as defined in and subject to the limitations of RCW 28A.150.276. ((The rate the district pays under a supplemental contract may not exceed the hourly rate provided to that same instructional staff for services under the basic education salary identified pursuant to subsection (3)(a)(iii) of this section.))

(ii) For a supplemental contract, or portion of a supplemental contract, that is time-based, the hourly rate the district pays may not exceed the hourly rate provided to that same instructional staff for services under the basic education salary identified under subsection (3)(a)(iii) of this section. For a supplemental contract, or portion of a supplemental contract that is not time-based, the contract must document the additional duties, responsibilities, or incentives that are being funded in the contract.

(5) Employee benefit plans offered by any district shall comply with RCW 28A.400.350, 28A.400.275, and 28A.400.280.

Sec. 206. RCW 28A.400.205 and 2017 3rd sp.s. c 13 s 102 are each amended to read as follows:

(1) School district employees shall be provided an annual salary inflationary increase in accordance with this section.

(a) The inflationary increase shall be calculated by applying the rate of the yearly increase in the inflationary adjustment index to any state-funded salary base used in state funding formulas for teachers and other school district employees. Beginning with the ~~((2020-21))~~ 2019-20 school year, each school district shall be provided an inflationary adjustment allocation sufficient to grant this inflationary increase.

(b) A school district shall distribute its inflationary adjustment allocation for salaries and salary-related benefits in accordance with the district's collective bargaining agreements and compensation policies. No later than the end of the school year, each school district shall certify to the superintendent of public instruction that it has spent funds provided for inflationary increases on salaries and salary-related benefits.

(c) Any funded inflationary increase shall be included in the salary base used to determine inflationary increases for school employees in subsequent years. For teachers and other certificated instructional staff, the rate of the annual inflationary increase funded for certificated instructional staff shall be applied to the base salary used with the statewide salary allocation methodology established under RCW 28A.150.410 and to any other salary allocation methodologies used to recognize school district personnel costs.

(2) For the purposes of this section, "inflationary adjustment index" means, for any school year, the implicit price deflator for that fiscal year, using the official current base, compiled by the bureau of ~~((labor statistics, United States department of labor for the state of Washington))~~ economic analysis, United States department of commerce.

Sec. 207. RCW 41.56.800 and 2017 3rd sp.s. c 13 s 701 are each amended to read as follows:

(1) A school district collective bargaining agreement for classified staff that is executed or modified after July 6, 2017, and that is in effect for the 2018-19 school year may not ~~((provide school district classified staff with a percentage))~~ increase ~~((to))~~ average total salary for the 2018-19 school year, including supplemental contracts, ~~((that exceeds the previous calendar year's annual average consumer price index, using the official current base compiled by the bureau of labor statistics, United States department of labor, for the city of Seattle. However, if a district's average classified staff salary is less than the average classified salary allocated by the state for that year, the district may increase salaries not to exceed the point where the district's average classified staff salary equals the average classified staff salary allocated by the state))~~ in excess of the following:

(a) Annual salary inflationary adjustments based on the rate of the yearly increase of the previous calendar year's annual average consumer price index, using the official current base compiled by the bureau of labor statistics, United States department of labor, for the city of Seattle;

(b) Annual experience and education salary step increases according to the salary schedule specified in the agreement;

(c) Salary changes for staffing increases due to enrollment growth or state-funded increases under RCW 28A.150.260; or

(d) School districts with an average total classified staff salary less than the statewide average classified salary allocation used to distribute funds for basic education as estimated by the office of the superintendent of public instruction for the 2018-19 school year may provide salary increases up to the statewide average allocation.

(2) Changes to any terms of an employment contract for nonrepresented employees must comply with the same requirements established in this section.

(3) This section expires August 31, 2019.

Sec. 208. RCW 41.59.800 and 2017 3rd sp.s. c 13 s 702 are each amended to read as follows:

(1) A school district collective bargaining agreement for certificated instructional staff that is executed or modified after July 6, 2017, and that is in effect for the 2018-19 school year may not ~~((provide school district certificated instructional staff with a percentage))~~ increase ~~((to))~~ average total salary for the 2018-19 school year, including supplemental contracts, ~~((that exceeds the previous calendar year's annual average consumer price index, using the official current base compiled by the bureau of labor statistics, United States department of labor, for the city of Seattle. However, if a district's average certificated instructional staff salary is less than the average certificated instructional staff salary allocated by the state for that year, the district may increase salaries not to exceed the point where the district's average certificated instructional staff salary equals the average certificated instructional staff salary allocated by the state))~~ in excess of the following:

(a) Annual salary inflationary adjustments based on the rate of the yearly increase of the previous calendar year's annual average consumer price index, using the official current base compiled by the bureau of labor statistics, United States department of labor, for the city of Seattle;

(b) Annual experience and education salary step increases according to the salary schedule specified in the agreement;

(c) Salary changes for staffing increases due to enrollment growth or state-funded increases under RCW 28A.150.260;

(d) Salary changes to provide professional learning under RCW 28A.415.430;

(e) Increases related to bonuses for attaining certification from the national board for professional teaching standards;

(f) School districts with an average total certificated instructional staff salary less than the statewide average certificated instructional staff salary allocation used to distribute funds for basic education as estimated by the office of the superintendent of public instruction for the 2018-19 school year may provide salary increases up to the statewide average allocation; or

(g) Salaries for new certificated instructional staff hired in the 2018-19 school year.

(2) Changes to any terms of an employment contract for nonrepresented employees must comply with the same requirements established in this section.

(3) This section expires August 31, 2019.

NEW SECTION. Sec. 209. The superintendent of public instruction shall convene a work group, that must include representatives of diverse school districts and education stakeholders to make recommendations to define the duties and responsibilities that entail a "school day" under the state's statutory program of basic education under RCW 28A.150.220 and 28A.150.260. The recommendations must consider: The professional responsibilities, time, and effort required to provide the state's statutory program of basic education that exceed the required number of instructional hours specified in RCW 28A.150.220, and duties covered by state salary allocations that may be outside of school instructional time including, but not limited to, direct instruction required in RCW 28A.150.220; the necessary preparations, planning, and coordination for that instruction; meeting with and collaborating with parents and other teachers or other staff regarding the program of basic education; and the necessary evaluation of student learning from that instruction. The superintendent shall report the recommendations to the education policy and operating budget committees of the legislature by January 14, 2019.

PART III: LEVIES

Sec. 301. RCW 28A.150.276 and 2017 3rd sp.s. c 13 s 501 are each amended to read as follows:

(1)(a) Beginning September 1, (~~(2019)~~) 2018, school districts may use local revenues only for documented and demonstrated enrichment of the state's statutory program of basic education as authorized in subsection (2) of this section.

(b) Nothing in this section revises the definition or the state funding of the program of basic education under RCW 28A.150.220 and 28A.150.260.

(c) For purposes of this section, "local revenues" means enrichment levies collected under RCW 84.52.053, (~~(transportation vehicle enrichment levies,)~~) local effort assistance funding received under chapter 28A.500 RCW, and other school district local revenues including, but not limited to, grants, donations, and state and federal payments in lieu of taxes, except that "local revenues" does not include other federal revenues, or local revenues that operate as an offset to the district's basic education allocation under RCW 28A.150.250.

(2)(a) Enrichment activities are permitted under this section if they provide supplementation beyond the state:

(i) Minimum instructional offerings of RCW 28A.150.220 or 28A.150.260;

(ii) Staffing ratios or program components of RCW 28A.150.260, including providing additional staff for class size reduction beyond class sizes allocated in the prototypical school model and additional staff beyond the staffing ratios allocated in the prototypical school formula;

(iii) Program components of RCW 28A.150.200, 28A.150.220, or 28A.150.260; or

(iv) Program of professional learning as defined by RCW 28A.415.430 beyond that allocated pursuant to RCW 28A.150.415.

(b) Permitted enrichment activities consist of:

(i) Extracurricular activities, extended school days, or an extended school year;

(ii) Additional course offerings beyond the minimum instructional program established in the state's statutory program of basic education;

(iii) Activities associated with early learning programs;

(iv) Any additional salary costs attributable to the provision or administration of the enrichment activities allowed under this subsection; and

(v) Additional activities or enhancements that the office of the superintendent of public instruction determines to be a documented and demonstrated enrichment of the state's statutory program of basic education under (a) of this subsection and for which the superintendent approves proposed expenditures during the preballot approval process required by RCW 84.52.053 and 28A.505.240.

(3) In addition to the limitations of subsections (1) and (2) of this section and of RCW 28A.400.200, permitted enrichment activities are subject to the following conditions and limitations:

(a) If a school district spends local revenues for salary costs attributable to the administration of enrichment programs, the portion of administrator salaries attributable to that purpose may not exceed ~~((the proportion))~~ twenty-five percent of the ~~((district's local revenues to its other revenues))~~ total district expenditures for administrator salaries; and

(b) Supplemental contracts under RCW 28A.400.200 are subject to the limitations of this section.

(4) The superintendent of public instruction must adopt rules to implement this section.

Sec. 302. RCW 28A.320.330 and 2017 3rd sp.s. c 13 s 601 are each amended to read as follows:

School districts shall establish the following funds in addition to those provided elsewhere by law:

(1)(a) A general fund for the school district to account for all financial operations of the school district except those required to be accounted for in another fund.

(b) By the ~~((2019-20))~~ 2018-19 school year, a local revenue subfund of its general fund to account for the financial operations of a school district that are paid from local revenues. The local revenues that must be deposited in the local revenue subfund are enrichment levies and transportation vehicle ~~((enrichment))~~ levies collected under RCW 84.52.053, local effort assistance funding received

under chapter 28A.500 RCW, and other school district local revenues including, but not limited to, grants, donations, and state and federal payments in lieu of taxes, but do not include other federal revenues, or local revenues that operate as an offset to the district's basic education allocation under RCW 28A.150.250. School districts must track expenditures from this subfund separately to account for the expenditure of each of these streams of revenue by source, and must provide any supplemental expenditure schedules required by the superintendent of public instruction or state auditor for purposes of RCW 43.09.2856.

(2) A capital projects fund shall be established for major capital purposes. All statutory references to a "building fund" shall mean the capital projects fund so established. Money to be deposited into the capital projects fund shall include, but not be limited to, bond proceeds, proceeds from excess levies authorized by RCW 84.52.053, state apportionment proceeds as authorized by RCW 28A.150.270, earnings from capital projects fund investments as authorized by RCW 28A.320.310 and 28A.320.320, and state forest revenues transferred pursuant to subsection (3) of this section.

Money derived from the sale of bonds, including interest earnings thereof, may only be used for those purposes described in RCW 28A.530.010, except that accrued interest paid for bonds shall be deposited in the debt service fund.

Money to be deposited into the capital projects fund shall include but not be limited to rental and lease proceeds as authorized by RCW 28A.335.060, and proceeds from the sale of real property as authorized by RCW 28A.335.130.

Money legally deposited into the capital projects fund from other sources may be used for the purposes described in RCW 28A.530.010, and for the purposes of:

(a) Major renovation and replacement of facilities and systems where periodical repairs are no longer economical or extend the useful life of the facility or system beyond its original planned useful life. Such renovation and replacement shall include, but shall not be limited to, major repairs, exterior painting of facilities, replacement and refurbishment of roofing, exterior walls, windows, heating and ventilating systems, floor covering in classrooms and public or common areas, and electrical and plumbing systems.

(b) Renovation and rehabilitation of playfields, athletic fields, and other district real property.

(c) The conduct of preliminary energy audits and energy audits of school district buildings. For the purpose of this section:

(i) "Preliminary energy audits" means a determination of the energy consumption characteristics of a building, including the size, type, rate of energy consumption, and major energy using systems of the building.

(ii) "Energy audit" means a survey of a building or complex which identifies the type, size, energy use level, and major energy using systems; which determines appropriate energy conservation maintenance or operating procedures and assesses any need for the acquisition and installation of energy conservation measures, including solar energy and renewable resource measures.

(iii) "Energy capital improvement" means the installation, or modification of the installation, of energy conservation measures in a building which measures are primarily intended to reduce energy consumption or allow the use of an alternative energy source.

(d) Those energy capital improvements which are identified as being cost-effective in the audits authorized by this section.

(e) Purchase or installation of additional major items of equipment and furniture: PROVIDED, That vehicles shall not be purchased with capital projects fund money.

(f)(i) Costs associated with implementing technology systems, facilities, and projects, including acquiring hardware, licensing software, and online applications and training related to the installation of the foregoing. However, the software or applications must be an integral part of the district's technology systems, facilities, or projects.

(ii) Costs associated with the application and modernization of technology systems for operations and instruction including, but not limited to, the ongoing fees for online applications, subscriptions, or software licenses, including upgrades and incidental services, and ongoing training related to the installation and integration of these products and services. However, to the extent the funds are used for the purpose under this subsection (2)(f)(ii), the school district shall transfer to the district's general fund the portion of the capital projects fund used for this purpose. The office of the superintendent of public instruction shall develop accounting guidelines for these transfers in accordance with internal revenue service regulations.

(g) Major equipment repair, painting of facilities, and other major preventative maintenance purposes. However, to the extent the funds are used for the purpose under this subsection (2)(g), the school district shall transfer to the district's general fund the portion of the capital projects fund used for this purpose. The office of the superintendent of public instruction shall develop accounting guidelines for these transfers in accordance with internal revenue service regulations. Based on the district's most recent two-year history of general fund maintenance expenditures, funds used for this purpose may not replace routine annual preventive maintenance expenditures made from the district's general fund.

(3) A debt service fund to provide for tax proceeds, other revenues, and disbursements as authorized in chapter 39.44 RCW. State forestland revenues that are deposited in a school district's debt service fund pursuant to RCW 79.64.110 and to the extent not necessary for payment of debt service on school district bonds may be transferred by the school district into the district's capital projects fund.

(4) An associated student body fund as authorized by RCW 28A.325.030.

(5) Advance refunding bond funds and refunded bond funds to provide for the proceeds and disbursements as authorized in chapter 39.53 RCW.

Sec. 303. RCW 28A.500.015 and 2017 3rd sp.s. c 13 s 206 are each amended to read as follows:

(1) Beginning in calendar year 2019 and each calendar year thereafter, the state must provide state local effort assistance funding to supplement school district enrichment levies as provided in this section.

(2) For an eligible school district, annual local effort assistance funding is equal to the school district's maximum local effort assistance multiplied by a fraction equal to the school district's actual enrichment levy divided by the school district's maximum allowable enrichment levy.

(3) The state local effort assistance funding provided under this section is not part of the state's program of basic education deemed by the legislature to comply with the requirements of Article IX, section 1 of the state Constitution.

(4) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Eligible school district" means a school district whose maximum allowable enrichment levy divided by the school district's total student enrollment in the prior school year is less than the state local effort assistance threshold.

(b) For the purpose of this section, "inflation" means ((inflation as defined in RCW 84.55.005)), for any school year, the rate of the yearly increase of the previous calendar year's annual average consumer price index for all urban consumers, Seattle area, using the official current base compiled by the bureau of labor statistics, United States department of labor.

(c) "Maximum allowable enrichment levy" means the maximum levy permitted by RCW 84.52.0531.

(d) "Maximum local effort assistance" means ~~((the school district's student enrollment in the prior school year multiplied by))~~ the difference ~~((of))~~ between the following:

(i) The school district's actual prior school year enrollment multiplied by the state local effort assistance threshold; and ((#))

(ii) The school district's maximum allowable enrichment levy ((divided by the school district's student enrollment in the prior school year)).

(e) "Prior school year" means the most recent school year completed prior to the year in which the state local effort assistance funding is to be distributed.

(f) "State local effort assistance threshold" means one thousand five hundred dollars per student, ~~((adjusted))~~ increased for inflation beginning in calendar year 2020.

(g) "Student enrollment" means the average annual ~~((resident))~~ full-time equivalent student enrollment.

(5) For districts in a high/nonhigh relationship, the enrollments of the nonhigh students attending the high school shall only be counted by the nonhigh school districts for purposes of funding under this section.

(6) For school districts participating in an innovation academy cooperative established under RCW 28A.340.080, enrollments of students attending the academy shall be adjusted so that each participant district receives its proportional share of student enrollments for purposes of funding under this section.

Sec. 304. RCW 28A.505.240 and 2017 3rd sp.s. c 13 s 204 are each amended to read as follows:

(1) As required by RCW 84.52.053(4), before a school district may submit an enrichment levy ~~((, including a transportation vehicle enrichment levy,))~~ under RCW 84.52.053 to the voters, it must have received approval from the office of the superintendent of public instruction of an expenditure plan for the district's enrichment levy and other local revenues as defined in RCW 28A.150.276. Within thirty days after receiving the plan the office of the superintendent of public instruction must notify the school district whether the spending plan is approved. If the office of the superintendent of public instruction rejects a district's proposed spending plan, then the district may submit a revised spending

plan, and the superintendent must approve or reject the revised submission within thirty days. The office of the superintendent of public instruction may approve a spending plan only if it determines that the enrichment levy and other local revenues as defined in RCW 28A.150.276(1) will be used solely for permitted enrichment activities as provided in RCW 28A.150.276(2).

(2)(a) Except as provided in (b) of this subsection, after a school district has received voter approval for a levy for an enrichment levy under RCW 84.52.053, a school district may change its spending plan for the voter-approved levy by submitting a revised spending plan to the office of the superintendent of public instruction for review and approval. To revise a previously approved spending plan, the district must provide notice and an opportunity for review and comment at an open meeting of the school board, and the board must adopt the revised spending plan by resolution. The board must then submit the plan to the office of the superintendent of public instruction. Within thirty days after receiving the revised spending plan the office must notify the school district whether the revised spending plan is approved. The office of the superintendent of public instruction may approve a revised spending plan only if it determines that the enrichment levy and other local revenues as defined in RCW 28A.150.276(1) will be used solely for permitted enrichment activities as provided in RCW 28A.150.276(2).

(b) If the superintendent has approved expenditures for specific purposes under (a) of this subsection, a district may change the relative amounts to be spent for those respective purposes for the same levy in subsequent years without having to first receive approval for the change from the office of the superintendent of public instruction if the district adopts the change as part of its annual budget proposal after a public hearing under RCW 28A.505.060.

(3) This section applies to taxes levied for collection beginning in calendar year 2020 and thereafter.

NEW SECTION. Sec. 305. A new section is added to chapter 84.52 RCW to read as follows:

For districts in a high/nonhigh relationship, if the high school district is subject to the maximum per pupil limit under RCW 84.52.0531, the high school district's maximum levy amount must be reduced by an amount equal to the estimated amount of the nonhigh payment due to the high school district under RCW 28A.545.030(3) and 28A.545.050 for the school year commencing the year of the levy.

Sec. 306. RCW 84.52.053 and 2017 3rd sp.s. c 13 s 201 are each amended to read as follows:

(1) The limitations imposed by RCW 84.52.050 through 84.52.056, and 84.52.043 shall not prevent the levy of taxes by school districts, when authorized so to do by the voters of such school district in the manner and for the purposes and number of years allowable under Article VII, section 2(a) and Article IX, section 1 of the Constitution of this state. Elections for such taxes shall be held in the year in which the levy is made or, in the case of propositions authorizing two-year through four-year levies for enrichment funding for a school district, authorizing two-year levies for transportation vehicle funds established in RCW 28A.160.130 (~~through calendar year 2019, authorizing two-year levies for transportation vehicle enrichment beginning with calendar year 2020;~~) or

authorizing two-year through six-year levies to support the construction, modernization, or remodeling of school facilities, which includes the purposes of RCW 28A.320.330(2) (f) and (g), in the year in which the first annual levy is made.

(2)(a) Once additional tax levies have been authorized for enrichment funding for a school district for a two-year through four-year period as provided under subsection (1) of this section, no further additional tax levies for enrichment funding for the district for that period may be authorized, except for additional levies to provide for subsequently enacted increases affecting the district's maximum levy.

(b) Notwithstanding (a) of this subsection, any school district that is required to annex or receive territory pursuant to a dissolution of a financially insolvent school district pursuant to RCW 28A.315.225 may call either a replacement or supplemental levy election within the school district, including the territory annexed or transferred, as follows:

(i) An election for a proposition authorizing two-year through four-year levies for enrichment funding for a school district may be called and held before the effective date of dissolution to replace existing enrichment levies and to provide for increases due to the dissolution.

(ii) An election for a proposition authorizing additional tax levies may be called and held before the effective date of dissolution to provide for increases due to the dissolution.

(iii) In the event a replacement levy election under (b)(i) of this subsection is held but does not pass, the affected school district may subsequently hold a supplemental levy election pursuant to (b)(ii) of this subsection if the supplemental levy election is held before the effective date of dissolution. In the event a supplemental levy election is held under (b)(ii) of this subsection but does not pass, the affected school district may subsequently hold a replacement levy election pursuant to (b)(i) of this subsection if the replacement levy election is held before the effective date of dissolution. Failure of a replacement levy or supplemental levy election does not affect any previously approved and existing enrichment levy within the affected school district or districts.

(c) For the purpose of applying the limitation of this subsection (2), a two-year through six-year levy to support the construction, modernization, or remodeling of school facilities shall not be deemed to be a tax levy for enrichment funding for a school district.

(3) A special election may be called and the time therefor fixed by the board of school directors, by giving notice thereof by publication in the manner provided by law for giving notices of general elections, at which special election the proposition authorizing such excess levy shall be submitted in such form as to enable the voters favoring the proposition to vote "yes" and those opposed thereto to vote "no."

(4)(a) Beginning September 1, ~~((2019))~~ 2018, school districts may use enrichment levies ~~((and transportation vehicle enrichment levies))~~ solely to enrich the state's statutory program of basic education as authorized under RCW 28A.150.276.

(b) Beginning with propositions for enrichment levies ~~((and transportation vehicle enrichment levies))~~ for collection in calendar year 2020 and thereafter, a district must receive approval of an enrichment levy expenditure plan from the

superintendent of public instruction under RCW 28A.505.240 before submission of the proposition to the voters.

Sec. 307. RCW 84.52.0531 and 2017 3rd sp.s. c 13 s 203 are each amended to read as follows:

(1) Beginning with taxes levied for collection in 2019, the maximum dollar amount which may be levied by or for any school district for enrichment levies under RCW 84.52.053 is equal to the lesser of one dollar and fifty cents per thousand dollars of the assessed value of property in the school district or the maximum per-pupil limit.

(2) The definitions in this subsection apply to this section unless the context clearly requires otherwise.

(a) For the purpose of this section, "inflation" means ((inflation as defined in RCW 84.55.005)), for any school year, the rate of the yearly increase of the previous calendar year's annual average consumer price index for all urban consumers, Seattle area, using the official current base compiled by the bureau of labor statistics, United States department of labor.

(b) "Maximum per-pupil limit" means two thousand five hundred dollars, multiplied by the number of average annual ((resident)) full-time equivalent students enrolled in the school district in the prior school year. Beginning with property taxes levied for collection in 2020, the maximum per-pupil limit shall be increased by inflation.

(c) "Prior school year" means the most recent school year completed prior to the year in which the levies are to be collected.

(3) For districts in a high/nonhigh relationship, the enrollments of the nonhigh students attending the high school shall only be counted by the nonhigh school districts for purposes of funding under this section.

(4) For school districts participating in an innovation academy cooperative established under RCW 28A.340.080, enrollments of students attending the academy shall be adjusted so that each participant district receives its proportional share of student enrollments for purposes of funding under this section.

(5) Beginning with propositions for enrichment levies for collection in calendar year 2020 and thereafter, a district must receive approval of an enrichment levy expenditure plan under RCW 28A.505.240 before submission of the proposition to the voters.

~~((4))~~ (6) The superintendent of public instruction shall develop rules and regulations and inform school districts of the pertinent data necessary to carry out the provisions of this section.

~~((5))~~ (7) Beginning with taxes levied for collection in ~~((2020))~~ 2018, enrichment levy revenues must be deposited in a separate subfund of the school district's general fund pursuant to RCW 28A.320.330, and for the 2018-19 school year are subject to the restrictions of RCW 28A.150.276 and the audit requirements of RCW 43.09.2856.

~~((6))~~ (8) Funds collected from ~~((transportation vehicle enrichment levies shall not be subject to the levy limitations in))~~ levies for transportation vehicles, construction, modernization, or remodeling of school facilities as established in RCW 84.52.053 are not subject to the levy limitations in subsections (1) through (5) of this section.

PART IV: OTHER POLICIES

NEW SECTION. Sec. 401. (1) For the 2018-19 and 2019-20 school years, the office of the superintendent of public instruction shall allocate a hold-harmless payment to school districts if the sum of (b) of this subsection is greater than the sum of (a) of this subsection for either of the respective school years or if a school district meets the criteria under subsection (2) of this section.

(a) The current school year is calculated as the sum of (a)(i) through (iii) of this subsection using the enrollments and values in effect for that school year for the school district's:

(i) Formula-driven state allocations in part V of the state omnibus appropriations act for these programs: General apportionment, employee compensation adjustments, pupil transportation, special education programs, institutional education programs, transitional bilingual programs, highly capable, and learning assistance programs;

(ii) Local effort assistance funding received under chapter 28A.500 RCW; and

(iii) The lesser of the school district's voter-approved enrichment levy collection or the maximum levy authority provided under RCW 84.52.0531 for the previous calendar year.

(b) The baseline school year is calculated as the sum of (b)(i) through (iii) of this subsection using the current school year enrollments and the values in effect during the 2017-18 school year for the school district's:

(i) Formula-driven state allocations in part V of the state omnibus appropriations act for these programs: General apportionment, employee compensation adjustments, pupil transportation, special education programs, institutional education programs, transitional bilingual programs, highly capable, and learning assistance programs;

(ii) Local effort assistance funding received under chapter 28A.500 RCW; and

(iii) Maintenance and operation levy collection under RCW 84.52.0531 in the 2017 calendar year.

(2) From amounts appropriated in this act, the superintendent of public instruction must prioritize hold harmless payments to districts that meet both the following criteria:

(a) The sum of the school district's enrichment levy under RCW 84.52.0531 and 2017 3rd sp.s. c 13 s 203 and local effort assistance under RCW 28A.500.015 is less than half of the sum of the maintenance and operations levy and local effort assistance provided under law as it existed on January 1, 2017. For purposes of the calculation in this subsection, the maintenance and operations levy is limited to the lesser of the voter-approved levy as of January 1, 2017, or the maximum levy under law as of January 1, 2017; and

(b) The adjusted assessed value of property within the school district as calculated by the department of revenue is greater than twenty billion dollars in calendar year 2017.

(3) Districts eligible for hold-harmless payments under subsection (1) of this section shall receive the difference between subsection (1)(b) and (a) of this section through the apportionment payment process in RCW 28A.510.250.

(4) The voters of the school district must approve an enrichment levy under RCW 84.52.0531 to be eligible for a hold-harmless payment under this section.

(5) This section expires December 31, 2020.

**Sec. 402. RCW 28A.150.415 and 2017 3rd sp.s. c 13 s 105 are each amended to read as follows:*

(1) Beginning with the ((2018-19)) 2019-20 school year, the legislature shall begin phasing in funding for professional learning days for certificated instructional staff. The state allocation must be used solely for the purpose of providing professional learning. At a minimum, the state must allocate funding for:

(a) One professional learning day in the ((2018-19)) 2019-20 school year;

(b) Two professional learning days in the ((2019-20)) 2020-21 school year; and

(c) Three professional learning days in the ((2020-21)) 2021-22 school year.

(2) The office of the superintendent of public instruction shall calculate each school district's professional learning allocation as provided in subsection (1) of this section separate from the minimum state allocation for salaries as specified in RCW 28A.150.410 and associated fringe benefits on the apportionment reports provided to each local educational agency. The professional learning allocation shall be equal to the proportional increase resulting from adding the professional learning days provided in subsection (1) of this section to the required minimum number of school days in RCW 28A.150.220(5)(a) applied to the school district's minimum state allocation for salaries and associated fringe benefits for certificated instructional staff as specified in the omnibus appropriations act. Professional learning allocations shall be included in per-pupil calculations for programs funded on a per student rate calculation.

(3) Nothing in this section entitles an individual certificated instructional staff to any particular number of professional learning days.

((3)) (4) The professional learning days must meet the definitions and standards provided in RCW 28A.415.430, 28A.415.432, and 28A.415.434.

(5) The use of the funding provided under this section must be audited as part of the regular financial audits of school districts by the state auditor's office to ensure compliance with the limitations and conditions of this section.

**Sec. 402 was vetoed. See message at end of chapter.*

Sec. 403. RCW 28A.710.280 and 2016 c 241 s 128 are each amended to read as follows:

(1) The legislature intends that state funding for charter schools be distributed equitably with state funding provided for other public schools.

(2) For eligible students enrolled in a charter school established and operating in accordance with this chapter, the superintendent of public instruction shall transmit to each charter school an amount calculated as provided in this section and based on the statewide average ((staff mix factor)) salaries set forth in RCW 28A.150.410 for certificated instructional staff adjusted by the regionalization factor that applies to the school district in which the charter school is geographically located, including any enrichment to those statutory formulae that is specified in the omnibus appropriations act. The amount must be the sum of (a) and (b) of this subsection((as applicable)).

(a) The superintendent shall, for purposes of making distributions under this section, separately calculate and distribute to charter schools moneys

appropriated for general apportionment under the same ratios as in RCW 28A.150.260.

(b) The superintendent also shall, for purposes of making distributions under this section, and in accordance with the applicable formulae for categorical programs specified in (b)(i) through (v) of this subsection (2) and any enrichment to those statutory formulae that is specified in the omnibus appropriations act, separately calculate and distribute moneys appropriated by the legislature to charter schools for:

(i) Supplemental instruction and services for underachieving students through the learning assistance program under RCW 28A.165.005 through 28A.165.065;

(ii) 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;

(iii) 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;

(iv) Programs for highly capable students under RCW 28A.185.010 through 28A.185.030; and

(v) Pupil transportation services to and from school in accordance with RCW 28A.160.150 through 28A.160.180. Distributions for pupil transportation must be calculated on a per eligible student basis based on the allocation for the previous school year to the school district in which the charter school is located.

(3) The superintendent of public instruction must adopt rules necessary for the distribution of funding required by this section and to comply with federal reporting requirements.

Sec. 404. RCW 28A.715.040 and 2013 c 242 s 5 are each amended to read as follows:

(1) A school that is the subject of a state-tribal education compact must report student enrollment. Reporting must be done in the same manner and use the same definitions of enrolled students and annual average full-time equivalent enrollment as is required of school districts. The reporting requirements in this subsection are required for a school to receive state or federal funding that is allocated based on student characteristics.

(2) Funding for a school that is the subject of a state-tribal education compact shall be apportioned by the superintendent of public instruction according to the schedule established under RCW 28A.510.250, including general apportionment, special education, categorical, and other nonbasic education moneys. Allocations for certificated instructional staff must be based on the statewide average ((staff mix ratio of the school, as calculated by the superintendent of public instruction using the statewide salary allocation schedule and related documents, conditions, and limitations established by the omnibus appropriations act)) salary set forth in RCW 28A.150.410, adjusted by the regionalization factor that applies to the school district in which the school is located. Allocations for classified staff and certificated administrative staff must be based on the salary allocations of the school district in which the school is located(~~(, subject to conditions and limitations established by the omnibus appropriations act)~~) as set forth in RCW 28A.150.410, adjusted by the

regionalization factor that applies to the school district in which the school is located. Nothing in this section requires a school that is the subject of a state-tribal education compact to use the statewide salary allocation schedule. Such a school is eligible to apply for state grants on the same basis as a school district.

(3) Any moneys received by a school that is the subject of a state-tribal education compact from any source that remain in the school's accounts at the end of any budget year must remain in the school's accounts for use by the school during subsequent budget years.

Sec. 405. RCW 72.40.028 and 2009 c 381 s 7 are each amended to read as follows:

All teachers employed by the Washington state center for childhood deafness and hearing loss and the state school for the blind shall meet all certification requirements and the programs shall meet all accreditation requirements and conform to the standards defined by law or by rule of the Washington professional educator standards board or the office of the state superintendent of public instruction. The superintendent and the director, by rule, may adopt additional educational standards for their respective facilities. Salaries of all certificated employees shall be ~~((set so as to conform to and be contemporary with salaries paid to other certificated employees of similar background and experience in))~~ based on the statewide average salary set forth in RCW 28A.150.410, adjusted by the regionalization factor that applies to the school district in which the program or facility is located. The superintendent and the director may provide for provisional certification for teachers in their respective facilities including certification for emergency, temporary, substitute, or provisional duty.

Sec. 406. RCW 43.09.2856 and 2017 3rd sp.s. c 13 s 503 are each amended to read as follows:

(1) Beginning with the 2019-20 school year, to ensure that school district local revenues are used solely for purposes of enriching the state's statutory program of basic education, the state auditor's regular financial audits of school districts must include a review of the expenditure of school district local revenues for compliance with RCW 28A.150.276, including the spending plan approved by the superintendent of public instruction under RCW 28A.505.240 and its implementation, and any supplemental contracts entered into under RCW 28A.400.200.

(2) If an audit under subsection (1) of this section results in findings that a school district has failed to comply with these requirements, then within ninety days of completing the audit the auditor must report the findings to the superintendent of public instruction, the office of financial management, and the education and operating budget committees of the legislature.

(3) The use of the state allocation provided for professional learning under RCW 28A.150.415 must be audited as part of the regular financial audits of school districts by the state auditor's office to ensure compliance with the limitations and conditions of RCW 28A.150.415.

NEW SECTION. Sec. 407. The sum of twelve million dollars is appropriated for the fiscal year ending June 30, 2019, from the general fund to the superintendent of public instruction solely for hold harmless payments for purposes of section 401(2) of this act.

**Sec. 408. RCW 28A.505.140 and 2017 3rd sp.s. c 13 s 602 are each amended to read as follows:*

(1) Notwithstanding any other provision of law, the superintendent of public instruction shall adopt such rules as will ensure proper budgetary procedures and practices, including monthly financial statements consistent with the provisions of RCW 43.09.200, and this chapter. By the ((2019-20)) 2018-19 school year, the rules must require school districts to provide separate accounting of state and local revenues to expenditures.

(2) If the superintendent of public instruction determines upon a review of the budget of any district that said budget does not comply with the budget procedures established by this chapter or by rules adopted by the superintendent of public instruction, or the provisions of RCW 43.09.200, the superintendent shall give written notice of this determination to the board of directors of the local school district.

(3) The local school district, notwithstanding any other provision of law, shall, within thirty days from the date the superintendent of public instruction issues a notice pursuant to subsection (2) of this section, submit a revised budget which meets the requirements of RCW 43.09.200, this chapter, and the rules of the superintendent of public instruction.

**Sec. 408 was vetoed. See message at end of chapter.*

NEW SECTION. Sec. 409. A new section is added to chapter 28A.320 RCW to read as follows:

(1) Public schools may develop curricula that:

(a) Links student learning with engagement in seasonal or nonseasonal outdoor-based activities, including activities related to academic requirements in science, health and fitness, and career and technical education;

(b) Aligns with the essential academic learning requirements under RCW 28A.655.070 that are a component of the state's instructional program of basic education; and

(c) Includes locally administered competency based assessments that align with the Washington state learning standards.

(2) Public schools that develop curricula under this section may request authorization from the superintendent of public instruction as provided in section 410 of this act to consider student participation in seasonal or nonseasonal outdoor-based activities as instructional days for the purposes of basic education requirements established in RCW 28A.150.220(5).

NEW SECTION. Sec. 410. A new section is added to chapter 28A.300 RCW to read as follows:

(1) The superintendent of public instruction, subject to conformity with application or other requirements adopted by rule, shall approve requests by public schools as provided in section 409 of this act to consider student participation in seasonal or nonseasonal outdoor-based activities as instructional days for the purposes of basic education requirements established in RCW 28A.150.220(5).

(2) The superintendent of public instruction shall adopt rules to implement this section.

NEW SECTION. Sec. 411. The following acts or parts of acts are each repealed:

(1) RCW 28A.415.020 (Credit on salary schedule for approved in-service training, continuing education, and internship) and 2011 1st sp.s. c 18 s 5, 2007 c 319 s 3, 2006 c 263 s 808, 1995 c 284 s 2, 1990 c 33 s 415, & 1987 c 519 s 1;

(2) RCW 28A.415.023 (Credit on salary schedule for approved in-service training, continuing education, or internship—Course content—Rules) and 2012 c 35 s 6 & 2011 1st sp.s. c 18 s 6; and

(3) RCW 28A.415.024 (Credit on salary schedule—Accredited institutions—Verification—Penalty for submitting credits from unaccredited institutions) and 2006 c 263 s 809 & 2005 c 461 s 1.

NEW SECTION. **Sec. 412.** Sections 303 and 307 of this act take effect January 1, 2019.

Passed by the Senate March 8, 2018.

Passed by the House March 8, 2018.

Approved by the Governor March 27, 2018, with the exception of certain items that were vetoed.

Filed in Office of Secretary of State March 29, 2018.

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

"I am returning herewith, without my approval as to Sections 402 and 408, Engrossed Second Substitute Senate Bill No. 6362 entitled:

"AN ACT Relating to modifying basic education funding provisions."

Section 402 delays the implementation of state-funded professional learning days. Research shows that time for job-embedded professional learning and collaboration is linked to student success. Limiting practices that improve student achievement goes against the intent of this bill and our goals. For this reason, I am vetoing Section 402.

Section 408 moves forward by one year the requirement for OSPI to develop rules and budgetary procedures to ensure school districts provide separate accounting of state and local revenues to expenditures. The work is underway to design and build the accounting systems required to implement this data transparency within the original timeline for school year 2019-20. Speeding up the development of the system will jeopardize the long-term reliability of the accounting system and suspend the development of all other systems work. For this reason I am vetoing Section 408.

For these reasons I have vetoed Sections 402 and 408 of Engrossed Second Substitute Senate Bill No. 6362.

With the exception of Sections 402 and 408, Engrossed Second Substitute Senate Bill No. 6362 is approved."

CHAPTER 267

[Engrossed House Bill 1237]

COMMUNITY AND TECHNICAL COLLEGES--ACADEMIC EMPLOYEE COMPENSATION

AN ACT Relating to modifying collective bargaining law to authorize providing additional compensation to academic employees at community and technical colleges; amending RCW 28B.52.035 and 28B.50.140; and creating a new section.

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

****NEW SECTION. Sec. 1. The legislature finds that community and technical colleges provide important access to continuing education, preparation for a university, and workforce training that improve the quality of life and economic vitality of the state. The legislature further finds that a***

funding gap was created in the 2017-2019 biennium between the amount from the state general fund and the amount that was assumed to come from tuition increases. Therefore the legislature intends to fill the gap created in the 2017-2019 biennium and fund salary and benefit increases with sixty-six percent state general fund.

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

Sec. 2. RCW 28B.52.035 and 1991 c 238 s 148 are each amended to read as follows:

(1) At the conclusion of any negotiation processes as provided for in RCW 28B.52.030, any matter upon which the parties have reached agreement shall be reduced to writing and acted upon in a regular or special meeting of the boards of trustees, and become part of the official proceedings of said board meeting. Except as provided in this section, provisions of written contracts relating to salary increases shall not exceed the amount or percentage established by the legislature in the appropriations act and allocated to the board of trustees by the state board for community and technical colleges.

(2) The written agreement acted upon by a board of trustees must be submitted to the director of the office of financial management by October 1 prior to the fiscal year in which the provisions of the agreement go into effect. The length of term of any such agreement shall be for not more than three fiscal years. ~~((Any provisions of these agreements pertaining to salary increases will not be binding upon future actions of the legislature.))~~ If any provision of a salary increase is changed by subsequent modification of the appropriations act by the legislature, both parties shall immediately enter into collective bargaining for the sole purpose of arriving at a mutually agreed upon replacement for the modified provision. A board of trustees may provide additional compensation to academic employees that exceeds that provided by the legislature.

Sec. 3. RCW 28B.50.140 and 2016 1st sp.s. c 33 s 3 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. ~~Except ((for increments provided with local resources during the 2015-2017 fiscal biennium))~~ as provided for academic employees in RCW 28B.52.035 and technical college classified employees under chapter 41.56 RCW, 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 or 28B.50.825 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 March 5, 2018.

Passed by the Senate February 27, 2018.

Approved by the Governor March 27, 2018, with the exception of certain items that were vetoed.

Filed in Office of Secretary of State March 29, 2018.

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

"I am returning herewith, without my approval as to Section 1, Engrossed House Bill No. 1237 entitled:

"AN ACT Relating to modifying collective bargaining law to authorize providing additional compensation to academic employees at community and technical colleges."

Engrossed House Bill 1237 authorizes boards of trustees of community and technical colleges to use local funds, such as tuition, to provide salary increases that exceed the amount established by the Legislature. This is an important step in ensuring that faculty and staff at community and technical colleges are fairly compensated. Section 1 of this bill is an intent section, but addresses decisions that are budgetary in nature and should be dealt with in future budget processes. For this reason, I have vetoed section 1 of this bill.

For these reasons I have vetoed Section 1 of Engrossed House Bill No. 1237.

With the exception of Section 1, Engrossed House Bill No. 1237 is approved."

CHAPTER 268

[Engrossed Second Substitute House Bill 1561]

OPEN EDUCATIONAL RESOURCES

AN ACT Relating to open educational resources; amending RCW 28A.300.803; adding a new section to chapter 28B.10 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. A new section is added to chapter 28B.10 RCW to read as follows:

(1) The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.

(a) "Campus coordinator" means a designated facilitator to promote, assist, and support the creation of open educational resources by establishing and coordinating training seminars, creating workshops, helping faculty and staff identify available resources and funding, and cataloging and evaluating open educational resources used or created by an institution of higher education's faculty.

(b) "Open educational resources" means freely accessible, openly licensed educational textbooks, documents, materials, and media that reside in the public domain for free use and repurposing for the intention of teaching, learning, assessing, and researching.

(2)(a) Subject to availability of amounts appropriated for this specific purpose, the student achievement council shall administer the open educational resources grant pilot program for the four-year institutions of higher education. A grant received under the pilot program must be used for either (a)(i) or (ii) of this subsection, or both:

(i) Create a designated campus coordinator who will be the campus lead and centralized contact regarding open educational resources; or

(ii) Support faculty to adopt and modify, or create new, open educational resources for the purpose of reducing students' cost of attendance. Grant dollars may not be used to duplicate open educational resources that are already free and publicly available.

(b) The student achievement council shall develop an application form for the grant, a process for reviewing and selecting grant applicants, a process for awarding grant funding, and a process for the grant awardee to report back to the student achievement council on the use of the grant. The student achievement council shall prioritize applications that estimate the highest cost reduction to students, whether it be on an individual basis or across a field of study or the institution.

(c) The student achievement council shall determine how many grants may be awarded based on the funding received for the pilot program.

(d) In addition to the grant program, the student achievement council shall conduct outreach to other states and higher education agencies to identify whether there is interest in establishing a multistate open educational resources network to facilitate and establish a platform for peer review, coordinating, and sharing of open educational resources.

(e) The student achievement council shall report to the appropriate committees of the legislature in accordance with the reporting requirements in RCW 43.01.036 by December 1, 2019, on the open educational resources grant

pilot program and on the outreach conducted regarding a multistate open educational resources network. The report must include information on the number of grant applications received, the number of grants awarded, and an evaluation of how the grants were used to expand the use of open educational resources. In addition, the report must include how the student achievement council conducted outreach to other states on the concept of a multistate open educational resources network and the feedback from those states.

(3) By December 1, 2019, the Washington state institute for public policy shall conduct a study on the cost of textbooks and course materials and the use of open educational resources at four-year institutions of higher education across the state and submit a report to the appropriate committees of the legislature in accordance with RCW 43.01.036. The institute shall conduct outreach to relevant stakeholders, including representatives of the publishing community, prior to drafting their final report. To the extent data are available, the study should address:

(a) The types of and average cost per student for required textbooks and course materials, including digital access codes and bundled items, in the state, at each four-year institution of higher education, and in specific degree programs;

(b) The use of open educational resources at four-year institutions of higher education and in specific degree programs or courses, or both; and

(c) Any other information regarding textbooks, course materials, or best practices in the development and dissemination of open educational resources that the Washington state institute for public policy deems relevant.

(4) This section expires June 30, 2022.

Sec. 2. RCW 28A.300.803 and 2012 c 178 s 2 are each amended to read as follows:

(1)(a) Subject to availability of amounts appropriated for this specific purpose, the superintendent of public instruction shall take the lead in identifying and developing a library of openly licensed courseware aligned with the common core state standards and placed under an attribution license, registered by a nonprofit or for-profit organization with domain expertise in open courseware, that allows others to use, distribute, and create derivative works based upon the digital material, while still allowing the authors or creators to retain the copyright and to receive credit for their efforts.

(b) During the course of identification and development of a library of openly licensed courseware, the superintendent:

(i) May contract with third parties for all or part of the development;

(ii) May adopt or adapt existing high quality openly licensed K-12 courseware aligned with the common core state standards;

(iii) May consider multiple sources of openly licensed courseware;

(iv) Must use best efforts to seek additional outside funding by actively partnering with private organizations;

(v) Must work collaboratively with other states that have adopted the common core state standards and collectively share results; and

(vi) Must include input from classroom practitioners, including teacher-librarians as defined by RCW 28A.320.240, in the results reported under subsection (2)(d) of this section.

(2) The superintendent of public instruction must also:

(a) Advertise to school districts the availability of openly licensed courseware, with an emphasis on the fact that the courseware is available at no cost to the districts;

(b) Identify an open courseware repository to which openly licensed courseware identified and developed under this section may be submitted, in which openly licensed courseware may be housed, and from which openly licensed courseware may be easily accessed, all at no cost to school districts;

(c) Provide professional development programs that offer support, guidance, and instruction regarding the creation, use, and continuous improvement of open courseware; and

(d) Report to the governor and the education committees of the legislature on a biennial basis, beginning December 1, 2013, and ending December 1, 2017, regarding identification and development of a library of openly licensed courseware aligned with the common core state standards and placed under an attribution license, use by school districts of openly licensed courseware, and professional development programs provided.

(3) School districts may, but are not required to, use any of the openly licensed courseware.

(4) As used in this section, "courseware" includes the course syllabus, scope and sequence, instructional materials, modules, textbooks, including the teacher's edition, student guides, supplemental materials, formative and summative assessment supports, research articles, research data, laboratory activities, simulations, videos, open-ended inquiry activities, and any other educationally useful materials.

(5) The open educational resources account is created in the custody of the state treasurer. All receipts from funds collected under this section must be deposited into the account. Expenditures from the account may be used only for the development of openly licensed courseware as described in this section. Only the superintendent of public instruction or the superintendent's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW, but an appropriation is not required for expenditures.

~~((6) This section expires June 30, 2018.))~~

****NEW SECTION. Sec. 3. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2018, in the omnibus appropriations act, this act is null and void.***

**Sec. 3 was vetoed. See message at end of chapter.*

Passed by the House March 5, 2018.

Passed by the Senate March 2, 2018.

Approved by the Governor March 27, 2018, with the exception of certain items that were vetoed.

Filed in Office of Secretary of State March 29, 2018.

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

"I am returning herewith, without my approval as to Section 3, Engrossed Second Substitute House Bill No. 1561 entitled:

"AN ACT Relating to open educational resources."

Engrossed Second Substitute House Bill 1561 will help expand the use of Open Educational Resources at public higher education institutions. It also intended to make the Open Educational Resources project at the Office of the Superintendent for Public Instruction permanent. I agree with the intended purpose of the bill to increase access to free educational resources to more students. The final budget provided funding to support some of the goals of this bill, including funding for the Washington Student Achievement Council and Washington State Institute for Public Policy; however, funding to continue the Open Educational Resources project at the Office of the Superintendent for Public Instruction in fiscal year 2019 was unintentionally omitted from the final budget. The Office of the Superintendent of Public Instruction is committed to continuing this project and will request the funding for the 2019 supplemental budget. Section 3 is a funding null and void clause that would impact the entire bill.

For these reasons I have vetoed Section 3 of Engrossed Second Substitute House Bill No. 1561.

With the exception of Section 3, Engrossed Second Substitute House Bill No. 1561 is approved."

CHAPTER 269

[Engrossed Second Substitute House Bill 1783]

LEGAL FINANCIAL OBLIGATIONS

AN ACT Relating to legal financial obligations; amending RCW 10.82.090, 3.50.100, 3.62.040, 35.20.220, 10.01.160, 10.01.170, 10.01.180, 10.46.190, 10.64.015, 9.92.070, 10.73.160, 9.94A.6333, 9.94A.760, 9.94B.040, 3.62.085, 36.18.020, 43.43.7541, and 7.68.035; reenacting and amending RCW 3.62.020; and creating new sections.

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

Sec. 1. RCW 10.82.090 and 2015 c 265 s 23 are each amended to read as follows:

(1) Except as provided in subsection (2) of this section, ~~((financial obligations))~~ restitution imposed in a judgment shall bear interest from the date of the judgment until payment, at the rate applicable to civil judgments. As of the effective date of this section, no interest shall accrue on nonrestitution legal financial obligations. All nonrestitution interest retained by the court shall be split twenty-five percent to the state treasurer for deposit in the state general fund, twenty-five percent to the state treasurer for deposit in the judicial information system account as provided in RCW 2.68.020, twenty-five percent to the county current expense fund, and twenty-five percent to the county current expense fund to fund local courts.

(2) The court may, on motion by the offender, following the offender's release from total confinement, reduce or waive the interest on legal financial obligations levied as a result of a criminal conviction as follows:

(a) The court shall waive all interest on the portions of the legal financial obligations that are not restitution that accrued ~~((during the term of total confinement for the conviction giving rise to the financial obligations, provided the offender shows that the interest creates a hardship for the offender or his or her immediate family))~~ prior to the effective date of this section;

(b) The court may reduce interest on the restitution portion of the legal financial obligations only if the principal has been paid in full(;

~~(c) The court may otherwise reduce or waive the interest on the portions of the legal financial obligations that are not restitution if the offender shows that he or she has personally made a good faith effort to pay and that the interest accrual is causing a significant hardship. For purposes of this section, "good faith effort" means that the offender has either (i) paid the principal amount in~~

~~full; or (ii) made at least fifteen monthly payments within an eighteen-month period, excluding any payments mandatorily deducted by the department of corrections;~~

(d) ~~For purposes of (a) through (c) of this subsection, the court may reduce or waive interest on legal financial obligations only)~~ and as an incentive for the offender to meet his or her other legal financial obligations. The court may grant the motion, establish a payment schedule, and retain jurisdiction over the offender for purposes of reviewing and revising the reduction or waiver of interest.

(3) This section only applies to adult offenders.

Sec. 2. RCW 3.50.100 and 2012 c 136 s 3 are each amended to read as follows:

(1) Costs in civil and criminal actions may be imposed as provided in district court. All fees, costs, fines, forfeitures and other money imposed by any municipal court for the violation of any municipal or town ordinances shall be collected by the court clerk and, together with any other noninterest revenues received by the clerk, shall be deposited with the city or town treasurer as a part of the general fund of the city or town, or deposited in such other fund of the city or town, or deposited in such other funds as may be designated by the laws of the state of Washington.

(2) Except as provided in RCW 9A.88.120 and 10.99.080, the city treasurer shall remit monthly thirty-two percent of the noninterest money received under this section, other than for parking infractions, and certain costs to the state treasurer. "Certain costs" as used in this subsection, means those costs awarded to prevailing parties in civil actions under RCW 4.84.010 or 36.18.040, or those costs awarded against convicted defendants in criminal actions under RCW 10.01.160, 10.46.190, or 36.18.040, or other similar statutes if such costs are specifically designated as costs by the court and are awarded for the specific reimbursement of costs incurred by the state, county, city, or town in the prosecution of the case, including the fees of defense counsel. Money remitted under this subsection to the state treasurer shall be deposited in the state general fund.

(3) The balance of the noninterest money received under this section shall be retained by the city and deposited as provided by law.

~~(4)(a) Except as provided in (b) of this subsection, penalties, fines, ((bail forfeitures;)) fees, and costs may accrue interest at the rate of twelve percent per annum, upon assignment to a collection agency. Interest may accrue only while the case is in collection status.~~

(b) As of the effective date of this section, penalties, fines, bail forfeitures, fees, and costs imposed against a defendant in a criminal proceeding shall not accrue interest.

(5) Interest retained by the court on penalties, fines, bail forfeitures, fees, and costs shall be split twenty-five percent to the state treasurer for deposit in the state general fund, twenty-five percent to the state treasurer for deposit in the judicial information system account as provided in RCW 2.68.020, twenty-five percent to the city general fund, and twenty-five percent to the city general fund to fund local courts.

Sec. 3. RCW 3.62.020 and 2012 c 262 s 1, 2012 c 136 s 4, and 2012 c 134 s 6 are each reenacted and amended to read as follows:

(1) Except as provided in subsection (4) of this section, all costs, fees, fines, forfeitures and penalties assessed and collected in whole or in part by district courts, except costs, fines, forfeitures and penalties assessed and collected, in whole or in part, because of the violation of city ordinances, shall be remitted by the clerk of the district court to the county treasurer at least monthly, together with a financial statement as required by the state auditor, noting the information necessary for crediting of such funds as required by law.

(2) Except as provided in RCW 9A.88.120, 10.99.080, 7.84.100(4), and this section, the county treasurer shall remit thirty-two percent of the noninterest money received under subsection (1) of this section except certain costs to the state treasurer. "Certain costs" as used in this subsection, means those costs awarded to prevailing parties in civil actions under RCW 4.84.010 or 36.18.040, or those costs awarded against convicted defendants in criminal actions under RCW 10.01.160, 10.46.190, or 36.18.040, or other similar statutes if such costs are specifically designated as costs by the court and are awarded for the specific reimbursement of costs incurred by the state or county in the prosecution of the case, including the fees of defense counsel. With the exception of funds to be transferred to the judicial stabilization trust account under RCW 3.62.060(2), money remitted under this subsection to the state treasurer shall be deposited in the state general fund.

(3) The balance of the noninterest money received by the county treasurer under subsection (1) of this section shall be deposited in the county current expense fund. Funds deposited under this subsection that are attributable to the county's portion of a surcharge imposed under RCW 3.62.060(2) must be used to support local trial court and court-related functions.

(4) Except as provided in RCW 7.84.100(4), all money collected for county parking infractions shall be remitted by the clerk of the district court at least monthly, with the information required under subsection (1) of this section, to the county treasurer for deposit in the county current expense fund.

(5)(a) Except as provided in (b) of this subsection, penalties, fines, ~~((bail forfeitures,))~~ fees, and costs may accrue interest at the rate of twelve percent per annum, upon assignment to a collection agency. Interest may accrue only while the case is in collection status.

(b) As of the effective date of this section, penalties, fines, bail forfeitures, fees, and costs imposed against a defendant in a criminal proceeding shall not accrue interest.

(6) Interest retained by the court on penalties, fines, bail forfeitures, fees, and costs shall be split twenty-five percent to the state treasurer for deposit in the state general fund, twenty-five percent to the state treasurer for deposit in the judicial information system account as provided in RCW 2.68.020, twenty-five percent to the county current expense fund, and twenty-five percent to the county current expense fund to fund local courts.

Sec. 4. RCW 3.62.040 and 2012 c 136 s 5 are each amended to read as follows:

(1) Except as provided in subsection (4) of this section, all costs, fines, forfeitures and penalties assessed and collected, in whole or in part, by district courts because of violations of city ordinances shall be remitted by the clerk of

the district court at least monthly directly to the treasurer of the city wherein the violation occurred.

(2) Except as provided in RCW 9A.88.120 and 10.99.080, the city treasurer shall remit monthly thirty-two percent of the noninterest money received under this section, other than for parking infractions and certain costs, to the state treasurer. "Certain costs" as used in this subsection, means those costs awarded to prevailing parties in civil actions under RCW 4.84.010 or 36.18.040, or those costs awarded against convicted defendants in criminal actions under RCW 10.01.160, 10.46.190, or 36.18.040, or other similar statutes if such costs are specifically designated as costs by the court and are awarded for the specific reimbursement of costs incurred by the state, county, city, or town in the prosecution of the case, including the fees of defense counsel. Money remitted under this subsection to the state treasurer shall be deposited in the state general fund.

(3) The balance of the noninterest money received under this section shall be retained by the city and deposited as provided by law.

(4) All money collected for city parking infractions shall be remitted by the clerk of the district court at least monthly to the city treasurer for deposit in the city's general fund.

(5)(a) Except as provided in (b) of this subsection, penalties, fines, (bail forfeitures,) fees, and costs may accrue interest at the rate of twelve percent per annum, upon assignment to a collection agency. Interest may accrue only while the case is in collection status.

(b) As of the effective date of this section, penalties, fines, bail forfeitures, fees, and costs imposed against a defendant in a criminal proceeding shall not accrue interest.

(6) Interest retained by the court on penalties, fines, bail forfeitures, fees, and costs shall be split twenty-five percent to the state treasurer for deposit in the state general fund, twenty-five percent to the state treasurer for deposit in the judicial information system account as provided in RCW 2.68.020, twenty-five percent to the city general fund, and twenty-five percent to the city general fund to fund local courts.

Sec. 5. RCW 35.20.220 and 2012 c 136 s 7 are each amended to read as follows:

(1) The chief clerk, under the supervision and direction of the court administrator of the municipal court, shall have the custody and care of the books, papers and records of the court. The chief clerk or a deputy shall be present during the session of the court and has the power to swear all witnesses and jurors, administer oaths and affidavits, and take acknowledgments. The chief clerk shall keep the records of the court and shall issue all process under his or her hand and the seal of the court. The chief clerk shall do and perform all things and have the same powers pertaining to the office as the clerks of the superior courts have in their office. He or she shall receive all fines, penalties, and fees of every kind and keep a full, accurate, and detailed account of the same. The chief clerk shall on each day pay into the city treasury all money received for the city during the day previous, with a detailed account of the same, and taking the treasurer's receipt therefor.

(2) Except as provided in RCW 9A.88.120 and 10.99.080, the city treasurer shall remit monthly thirty-two percent of the noninterest money received under

this section, other than for parking infractions and certain costs to the state treasurer. "Certain costs" as used in this subsection, means those costs awarded to prevailing parties in civil actions under RCW 4.84.010 or 36.18.040, or those costs awarded against convicted defendants in criminal actions under RCW 10.01.160, 10.46.190, or 36.18.040, or other similar statutes if such costs are specifically designated as costs by the court and are awarded for the specific reimbursement of costs incurred by the state, county, city, or town in the prosecution of the case, including the fees of defense counsel. Money remitted under this subsection to the state treasurer shall be deposited in the state general fund.

(3) The balance of the noninterest money received under this section shall be retained by the city and deposited as provided by law.

(4)(a) Except as provided in (b) of this subsection, penalties, fines, ((bail forfeitures,)) fees, and costs may accrue interest at the rate of twelve percent per annum, upon assignment to a collection agency. Interest may accrue only while the case is in collection status.

(b) As of the effective date of this section, penalties, fines, bail forfeitures, fees, and costs imposed against a defendant in a criminal proceeding shall not accrue interest.

(5) Interest retained by the court on penalties, fines, bail forfeitures, fees, and costs shall be split twenty-five percent to the state treasurer for deposit in the state general fund, twenty-five percent to the state treasurer for deposit in the judicial information system account as provided in RCW 2.68.020, twenty-five percent to the city general fund, and twenty-five percent to the city general fund to fund local courts.

Sec. 6. RCW 10.01.160 and 2015 3rd sp.s. c 35 s 1 are each amended to read as follows:

(1) Except as provided in subsection (3) of this section, the court may require a defendant to pay costs. Costs may be imposed only upon a convicted defendant, except for costs imposed upon a defendant's entry into a deferred prosecution program, costs imposed upon a defendant for pretrial supervision, or costs imposed upon a defendant for preparing and serving a warrant for failure to appear.

(2) Costs shall be limited to expenses specially incurred by the state in prosecuting the defendant or in administering the deferred prosecution program under chapter 10.05 RCW or pretrial supervision. They cannot include expenses inherent in providing a constitutionally guaranteed jury trial or expenditures in connection with the maintenance and operation of government agencies that must be made by the public irrespective of specific violations of law. Expenses incurred for serving of warrants for failure to appear and jury fees under RCW 10.46.190 may be included in costs the court may require a defendant to pay. Costs for administering a deferred prosecution may not exceed two hundred fifty dollars. Costs for administering a pretrial supervision other than a pretrial electronic alcohol monitoring program, drug monitoring program, or 24/7 sobriety program may not exceed one hundred fifty dollars. Costs for preparing and serving a warrant for failure to appear may not exceed one hundred dollars. Costs of incarceration imposed on a defendant convicted of a misdemeanor or a gross misdemeanor may not exceed the actual cost of incarceration. In no case may the court require the offender to pay more than one hundred dollars per day

for the cost of incarceration. Payment of other court-ordered financial obligations, including all legal financial obligations and costs of supervision take precedence over the payment of the cost of incarceration ordered by the court. All funds received from defendants for the cost of incarceration in the county or city jail must be remitted for criminal justice purposes to the county or city that is responsible for the defendant's jail costs. Costs imposed constitute a judgment against a defendant and survive a dismissal of the underlying action against the defendant. However, if the defendant is acquitted on the underlying action, the costs for preparing and serving a warrant for failure to appear do not survive the acquittal, and the judgment that such costs would otherwise constitute shall be vacated.

(3) The court shall not order a defendant to pay costs (~~(unless)~~) if the defendant ~~(is or will be able to pay them)~~ at the time of sentencing is indigent as defined in RCW 10.101.010(3) (a) through (c). In determining the amount and method of payment of costs for defendants who are not indigent as defined in RCW 10.101.010(3) (a) through (c), the court shall take account of the financial resources of the defendant and the nature of the burden that payment of costs will impose.

(4) A defendant who has been ordered to pay costs and who is not in contumacious default in the payment thereof may at any time after release from total confinement petition the sentencing court for remission of the payment of costs or of any unpaid portion thereof. If it appears to the satisfaction of the court that payment of the amount due will impose manifest hardship on the defendant or the defendant's immediate family, the court may remit all or part of the amount due in costs, (~~(or)~~) modify the method of payment under RCW 10.01.170, or convert the unpaid costs to community restitution hours, if the jurisdiction operates a community restitution program, at the rate of no less than the state minimum wage established in RCW 49.46.020 for each hour of community restitution. Manifest hardship exists where the defendant is indigent as defined in RCW 10.101.010(3) (a) through (c).

(5) Except for direct costs relating to evaluating and reporting to the court, prosecutor, or defense counsel regarding a defendant's competency to stand trial as provided in RCW 10.77.060, this section shall not apply to costs related to medical or mental health treatment or services a defendant receives while in custody of the secretary of the department of social and health services or other governmental units. This section shall not prevent the secretary of the department of social and health services or other governmental units from imposing liability and seeking reimbursement from a defendant committed to an appropriate facility as provided in RCW 10.77.084 while criminal proceedings are stayed. This section shall also not prevent governmental units from imposing liability on defendants for costs related to providing medical or mental health treatment while the defendant is in the governmental unit's custody. Medical or mental health treatment and services a defendant receives at a state hospital or other facility are not a cost of prosecution and shall be recoverable under RCW 10.77.250 and 70.48.130, chapter 43.20B RCW, and any other applicable statute.

Sec. 7. RCW 10.01.170 and 1975-'76 2nd ex.s. c 96 s 2 are each amended to read as follows:

(1) When a defendant is sentenced to pay ((a)) fines, penalties, assessments, fees, restitution, or costs, the court may grant permission for payment to be made

within a specified period of time or in specified installments. If the court finds that the defendant is indigent as defined in RCW 10.101.010(3) (a) through (c), the court shall grant permission for payment to be made within a specified period of time or in specified installments. If no such permission is included in the sentence the fine or costs shall be payable forthwith.

(2) An offender's monthly payment shall be applied in the following order of priority until satisfied:

(a) First, proportionally to restitution to victims that have not been fully compensated from other sources;

(b) Second, proportionally to restitution to insurance or other sources with respect to a loss that has provided compensation to victims;

(c) Third, proportionally to crime victims' assessments; and

(d) Fourth, proportionally to costs, fines, and other assessments required by law.

Sec. 8. RCW 10.01.180 and 2010 c 8 s 1006 are each amended to read as follows:

(1) A defendant sentenced to pay ((~~any~~) any fine, penalty, assessment, fee, or costs who willfully defaults in the payment thereof or of any installment is in contempt of court as provided in chapter 7.21 RCW. The court may issue a warrant of arrest for his or her appearance.

(2) When ((~~any~~) any fine, penalty, assessment, fee, or assessment of costs is imposed on a corporation or unincorporated association, it is the duty of the person authorized to make disbursement from the assets of the corporation or association to pay the ((~~fine or costs~~) obligation from those assets, and his or her failure to do so may be held to be contempt.

(3)(a) The court shall not sanction a defendant for contempt based on failure to pay fines, penalties, assessments, fees, or costs unless the court finds, after a hearing and on the record, that the failure to pay is willful. A failure to pay is willful if the defendant has the current ability to pay but refuses to do so.

(b) In determining whether the defendant has the current ability to pay, the court shall inquire into and consider: (i) The defendant's income and assets; (ii) the defendant's basic living costs as defined by RCW 10.101.010 and other liabilities including child support and other legal financial obligations; and (iii) the defendant's bona fide efforts to acquire additional resources. A defendant who is indigent as defined by RCW 10.101.010(3) (a) through (c) is presumed to lack the current ability to pay.

(c) If the court determines that the defendant is homeless or a person who is mentally ill, as defined in RCW 71.24.025, failure to pay a legal financial obligation is not willful contempt and shall not subject the defendant to penalties.

(4) If a term of imprisonment for contempt for nonpayment of ((~~any~~) any fine, penalty, assessment, fee, or costs is ordered, the term of imprisonment shall be set forth in the commitment order, and shall not exceed one day for each twenty-five dollars of the ((~~fine or costs~~) amount ordered, thirty days if the ((~~fine or assessment~~) amount ordered of costs was imposed upon conviction of a violation or misdemeanor, or one year in any other case, whichever is the shorter period. A person committed for nonpayment of ((~~any~~) any fine, penalty, assessment, fee, or costs shall be given credit toward payment for each day of imprisonment at the rate specified in the commitment order.

~~((4))~~ (5) If it appears to the satisfaction of the court that the default in the payment of ~~((a))~~ any fine, penalty, assessment, fee, or costs is not willful contempt, the court may, and if the defendant is indigent as defined in RCW 10.101.010(3) (a) through (c), the court shall enter an order: (a) Allowing the defendant additional time for payment; ~~(b);~~ (b) reducing the amount thereof or of each installment; ~~(c);~~ (c) revoking the fine, penalty, assessment, fee, or costs or the unpaid portion thereof in whole or in part; or (d) converting the unpaid fine, penalty, assessment, fee, or costs to community restitution hours, if the jurisdiction operates a community restitution program, at the rate of no less than the state minimum wage established in RCW 49.46.020 for each hour of community restitution. The crime victim penalty assessment under RCW 7.68.035 may not be reduced, revoked, or converted to community restitution hours.

~~((5))~~ (6) A default in the payment of ~~((a))~~ any fine, penalty, assessment, fee, or costs or any installment thereof may be collected by any means authorized by law for the enforcement of a judgment. The levy of execution for the collection of ~~((a))~~ any fine, penalty, assessment, fee, or costs shall not discharge a defendant committed to imprisonment for contempt until the amount ~~((of the fine or costs))~~ has actually been collected.

Sec. 9. RCW 10.46.190 and 2005 c 457 s 12 are each amended to read as follows:

Every person convicted of a crime or held to bail to keep the peace ~~((shall))~~ may be liable to all the costs of the proceedings against him or her, including, when tried by a jury in the superior court or before a committing magistrate, a jury fee as provided for in civil actions for which judgment shall be rendered and collected. The court shall not order a defendant to pay costs, as described in RCW 10.01.160, if the court finds that the person at the time of sentencing is indigent as defined in RCW 10.101.010(3) (a) through (c). The jury fee, when collected for a case tried by the superior court, shall be paid to the clerk and applied as the jury fee in civil cases is applied.

Sec. 10. RCW 10.64.015 and Code 1881 s 1104 are each amended to read as follows:

When the defendant is found guilty, the court shall render judgment accordingly, and the defendant ~~((shall))~~ may be liable for all costs, unless the court or jury trying the cause expressly find otherwise. The court shall not order a defendant to pay costs, as described in RCW 10.01.160, if the court finds that the person at the time of sentencing is indigent as defined in RCW 10.101.010(3) (a) through (c).

Sec. 11. RCW 9.92.070 and 1987 c 3 s 4 are each amended to read as follows:

Hereafter whenever any judge of any superior court or a district or municipal judge shall sentence any person to pay any fines, penalties, assessments, fees, and costs, the judge may, in the judge's discretion, provide that such fines, penalties, assessments, fees, and costs may be paid in certain designated installments, or within certain designated period or periods~~((and))~~. If the court finds that the defendant is indigent as defined in RCW 10.101.010(3) (a) through (c), the court shall allow for payment in certain designated installments or within certain designated periods. If such fines, penalties,

assessments, fees, and costs shall be paid by the defendant in accordance with such order no commitment or imprisonment of the defendant shall be made for failure to pay such fine or costs. PROVIDED, that the provisions of this section shall not apply to any sentence given for the violation of any of the liquor laws of this state.

Sec. 12. RCW 10.73.160 and 2015 c 265 s 22 are each amended to read as follows:

(1) The court of appeals, supreme court, and superior courts may require an adult offender convicted of an offense to pay appellate costs.

(2) Appellate costs are limited to expenses specifically incurred by the state in prosecuting or defending an appeal or collateral attack from a criminal conviction. Appellate costs shall not include expenditures to maintain and operate government agencies that must be made irrespective of specific violations of the law. Expenses incurred for producing a verbatim report of proceedings and clerk's papers may be included in costs the court may require a convicted defendant to pay.

(3) Costs, including recoupment of fees for court-appointed counsel, shall be requested in accordance with the procedures contained in Title 14 of the rules of appellate procedure and in Title 9 of the rules for appeal of decisions of courts of limited jurisdiction. An award of costs shall become part of the trial court judgment and sentence.

(4) A defendant who has been sentenced to pay costs and who is not in contumacious default in the payment may at any time after release from total confinement petition the court that sentenced the defendant or juvenile offender for remission of the payment of costs or of any unpaid portion. If it appears to the satisfaction of the sentencing court that payment of the amount due will impose manifest hardship on the defendant or the defendant's immediate family, the sentencing court may remit all or part of the amount due in costs, ((~~or~~)) modify the method of payment under RCW 10.01.170, or convert the unpaid costs to community restitution hours, if the jurisdiction operates a community restitution program, at the rate of no less than the state minimum wage established in RCW 49.46.020 for each hour of community restitution. Manifest hardship exists where the defendant or juvenile offender is indigent as defined in RCW 10.101.010(3) (a) through (c).

(5) The parents or another person legally obligated to support a juvenile offender who has been ordered to pay appellate costs and who is not in contumacious default in the payment may at any time petition the court that sentenced the juvenile offender for remission of the payment of costs or of any unpaid portion. If it appears to the satisfaction of the sentencing court that payment of the amount due will impose manifest hardship on the parents or another person legally obligated to support a juvenile offender or on their immediate families, the sentencing court may remit all or part of the amount due in costs, or may modify the method of payment.

Sec. 13. RCW 9.94A.6333 and 2008 c 231 s 19 are each amended to read as follows:

(1) If an offender violates any condition or requirement of a sentence, and the offender is not being supervised by the department, the court may modify its

order of judgment and sentence and impose further punishment in accordance with this section.

(2) If an offender fails to comply with any of the nonfinancial conditions or requirements of a sentence the following provisions apply:

(a) The court, upon the motion of the state, or upon its own motion, shall require the offender to show cause why the offender should not be punished for the noncompliance. The court may issue a summons or a warrant of arrest for the offender's appearance;

(b) The state has the burden of showing noncompliance by a preponderance of the evidence;

(c) If the court finds that a violation has been proved, it may impose the sanctions specified in RCW 9.94A.633(1). Alternatively, the court may:

(i) Convert a term of partial confinement to total confinement; or

(ii) Convert community restitution obligation to total or partial confinement; ~~((or~~

~~(iii) Convert monetary obligations, except restitution and the crime victim penalty assessment, to community restitution hours at the rate of the state minimum wage as established in RCW 49.46.020 for each hour of community restitution;))~~

(d) If the court finds that the violation was not willful, the court may modify its previous order regarding ~~((payment of legal financial obligations and regarding))~~ community restitution obligations; and

(e) If the violation involves a failure to undergo or comply with a mental health status evaluation and/or outpatient mental health treatment, the court shall seek a recommendation from the treatment provider or proposed treatment provider. Enforcement of orders concerning outpatient mental health treatment must reflect the availability of treatment and must pursue the least restrictive means of promoting participation in treatment. If the offender's failure to receive care essential for health and safety presents a risk of serious physical harm or probable harmful consequences, the civil detention and commitment procedures of chapter 71.05 RCW shall be considered in preference to incarceration in a local or state correctional facility.

(3) If an offender fails to pay legal financial obligations as a requirement of a sentence the following provisions apply:

(a) The court, upon the motion of the state, or upon its own motion, shall require the offender to show cause why the offender should not be punished for the noncompliance. The court may issue a summons or a warrant of arrest for the offender's appearance;

(b) The state has the burden of showing noncompliance by a preponderance of the evidence;

(c) The court may not sanction the offender for failure to pay legal financial obligations unless the court finds, after a hearing and on the record, that the failure to pay is willful. A failure to pay is willful if the offender has the current ability to pay but refuses to do so. In determining whether the offender has the current ability to pay, the court shall inquire into and consider: (i) The offender's income and assets; (ii) the offender's basic living costs as defined by RCW 10.101.010 and other liabilities including child support and other legal financial obligations; and (iii) the offender's bona fide efforts to acquire additional

resources. An offender who is indigent as defined by RCW 10.101.010(3) (a) through (c) is presumed to lack the current ability to pay;

(d) If the court determines that the offender is homeless or a person who is mentally ill, as defined in RCW 71.24.025, failure to pay a legal financial obligation is not willful noncompliance and shall not subject the offender to penalties;

(e) If the court finds that a failure to pay is willful noncompliance, it may impose the sanctions specified in RCW 9.94A.633(1); and

(f) If the court finds that the violation was not willful, the court may, and if the court finds that the defendant is indigent as defined in RCW 10.101.010(3) (a) through (c), the court shall modify the terms of payment of the legal financial obligations, reduce or waive nonrestitution legal financial obligations, or convert nonrestitution legal financial obligations to community restitution hours, if the jurisdiction operates a community restitution program, at the rate of no less than the state minimum wage established in RCW 49.46.020 for each hour of community restitution. The crime victim penalty assessment under RCW 7.68.035 may not be reduced, waived, or converted to community restitution hours.

(4) Any time served in confinement awaiting a hearing on noncompliance shall be credited against any confinement ordered by the court.

((4)) (5) Nothing in this section prohibits the filing of escape charges if appropriate.

Sec. 14. RCW 9.94A.760 and 2011 c 106 s 3 are each amended to read as follows:

(1) Whenever a person is convicted in superior court, the court may order the payment of a legal financial obligation as part of the sentence. The court may not order an offender to pay costs as described in RCW 10.01.160 if the court finds that the offender at the time of sentencing is indigent as defined in RCW 10.101.010(3) (a) through (c). An offender being indigent as defined in RCW 10.101.010(3) (a) through (c) is not grounds for failing to impose restitution or the crime victim penalty assessment under RCW 7.68.035. The court must on either the judgment and sentence or on a subsequent order to pay, designate the total amount of a legal financial obligation and segregate this amount among the separate assessments made for restitution, costs, fines, and other assessments required by law. On the same order, the court is also to set a sum that the offender is required to pay on a monthly basis towards satisfying the legal financial obligation. If the court fails to set the offender monthly payment amount, the department shall set the amount if the department has active supervision of the offender, otherwise the county clerk shall set the amount.

(2) Upon receipt of ~~((an offender's monthly))~~ each payment~~((, restitution shall be paid prior to any payments of other monetary obligations. After restitution is satisfied))~~ made by or on behalf of an offender, the county clerk shall distribute the payment ~~((proportionally among all other fines, costs, and assessments imposed, unless otherwise ordered by the court))~~ in the following order of priority until satisfied:

(a) First, proportionally to restitution to victims that have not been fully compensated from other sources;

(b) Second, proportionally to restitution to insurance or other sources with respect to a loss that has provided compensation to victims;

(c) Third, proportionally to crime victims' assessments; and

(d) Fourth, proportionally to costs, fines, and other assessments required by law.

~~((2))~~ (3) If the court determines that the offender, at the time of sentencing, has the means to pay for the cost of incarceration, the court may require the offender to pay for the cost of incarceration ~~((#)).~~ The court shall not order the offender to pay the cost of incarceration if the court finds that the offender at the time of sentencing is indigent as defined in RCW 10.101.010(3) (a) through (c). Costs of incarceration ordered by the court shall not exceed a rate of fifty dollars per day of incarceration, if incarcerated in a prison, or the ~~((court may require the offender to pay the))~~ actual cost of incarceration per day of incarceration, if incarcerated in a county jail. In no case may the court require the offender to pay more than one hundred dollars per day for the cost of incarceration. ~~((Payment of other court-ordered financial obligations, including all legal financial obligations and costs of supervision shall take precedence over the payment of the cost of incarceration ordered by the court.))~~ All funds recovered from offenders for the cost of incarceration in the county jail shall be remitted to the county and the costs of incarceration in a prison shall be remitted to the department.

~~((3))~~ (4) The court may add to the judgment and sentence or subsequent order to pay a statement that a notice of payroll deduction is to be issued immediately. If the court chooses not to order the immediate issuance of a notice of payroll deduction at sentencing, the court shall add to the judgment and sentence or subsequent order to pay a statement that a notice of payroll deduction may be issued or other income-withholding action may be taken, without further notice to the offender if a monthly court-ordered legal financial obligation payment is not paid when due, and an amount equal to or greater than the amount payable for one month is owed.

If a judgment and sentence or subsequent order to pay does not include the statement that a notice of payroll deduction may be issued or other income-withholding action may be taken if a monthly legal financial obligation payment is past due, the department or the county clerk may serve a notice on the offender stating such requirements and authorizations. Service shall be by personal service or any form of mail requiring a return receipt.

~~((4))~~ (5) Independent of the department or the county clerk, the party or entity to whom the legal financial obligation is owed shall have the authority to use any other remedies available to the party or entity to collect the legal financial obligation. These remedies include enforcement in the same manner as a judgment in a civil action by the party or entity to whom the legal financial obligation is owed. Restitution collected through civil enforcement must be paid through the registry of the court and must be distributed proportionately according to each victim's loss when there is more than one victim. The judgment and sentence shall identify the party or entity to whom restitution is owed so that the state, party, or entity may enforce the judgment. If restitution is ordered pursuant to RCW 9.94A.750(6) or 9.94A.753(6) to a victim of rape of a child or a victim's child born from the rape, the Washington state child support registry shall be identified as the party to whom payments must be made. Restitution obligations arising from the rape of a child in the first, second, or third degree that result in the pregnancy of the victim may be enforced for the time periods provided under RCW 9.94A.750(6) and 9.94A.753(6). All other

legal financial obligations for an offense committed prior to July 1, 2000, may be enforced at any time during the ten-year period following the offender's release from total confinement or within ten years of entry of the judgment and sentence, whichever period ends later. Prior to the expiration of the initial ten-year period, the superior court may extend the criminal judgment an additional ten years for payment of legal financial obligations including crime victims' assessments. All other legal financial obligations for an offense committed on or after July 1, 2000, may be enforced at any time the offender remains under the court's jurisdiction. For an offense committed on or after July 1, 2000, the court shall retain jurisdiction over the offender, for purposes of the offender's compliance with payment of the legal financial obligations, until the obligation is completely satisfied, regardless of the statutory maximum for the crime. The department may only supervise the offender's compliance with payment of the legal financial obligations during any period in which the department is authorized to supervise the offender in the community under RCW 9.94A.728, 9.94A.501, or in which the offender is confined in a state correctional institution or a correctional facility pursuant to a transfer agreement with the department, and the department shall supervise the offender's compliance during any such period. The department is not responsible for supervision of the offender during any subsequent period of time the offender remains under the court's jurisdiction. The county clerk is authorized to collect unpaid legal financial obligations at any time the offender remains under the jurisdiction of the court for purposes of his or her legal financial obligations.

~~((5))~~ (6) In order to assist the court in setting a monthly sum that the offender must pay during the period of supervision, the offender is required to report to the department for purposes of preparing a recommendation to the court. When reporting, the offender is required, under oath, to respond truthfully and honestly to all questions concerning present, past, and future earning capabilities and the location and nature of all property or financial assets. The offender is further required to bring all documents requested by the department.

~~((6))~~ (7) After completing the investigation, the department shall make a report to the court on the amount of the monthly payment that the offender should be required to make towards a satisfied legal financial obligation.

~~((7))~~ (8)(a) During the period of supervision, the department may make a recommendation to the court that the offender's monthly payment schedule be modified so as to reflect a change in financial circumstances. If the department sets the monthly payment amount, the department may modify the monthly payment amount without the matter being returned to the court. During the period of supervision, the department may require the offender to report to the department for the purposes of reviewing the appropriateness of the collection schedule for the legal financial obligation. During this reporting, the offender is required under oath to respond truthfully and honestly to all questions concerning earning capabilities and the location and nature of all property or financial assets. The offender shall bring all documents requested by the department in order to prepare the collection schedule.

(b) Subsequent to any period of supervision, or if the department is not authorized to supervise the offender in the community, the county clerk may make a recommendation to the court that the offender's monthly payment schedule be modified so as to reflect a change in financial circumstances. If the

county clerk sets the monthly payment amount, or if the department set the monthly payment amount and the department has subsequently turned the collection of the legal financial obligation over to the county clerk, the clerk may modify the monthly payment amount without the matter being returned to the court. During the period of repayment, the county clerk may require the offender to report to the clerk for the purpose of reviewing the appropriateness of the collection schedule for the legal financial obligation. During this reporting, the offender is required under oath to respond truthfully and honestly to all questions concerning earning capabilities and the location and nature of all property or financial assets. The offender shall bring all documents requested by the county clerk in order to prepare the collection schedule.

~~((8))~~ (9) After the judgment and sentence or payment order is entered, the department is authorized, for any period of supervision, to collect the legal financial obligation from the offender. Subsequent to any period of supervision or, if the department is not authorized to supervise the offender in the community, the county clerk is authorized to collect unpaid legal financial obligations from the offender. Any amount collected by the department shall be remitted daily to the county clerk for the purpose of disbursements. The department and the county clerks are authorized, but not required, to accept credit cards as payment for a legal financial obligation, and any costs incurred related to accepting credit card payments shall be the responsibility of the offender.

~~((9))~~ (10) The department or any obligee of the legal financial obligation may seek a mandatory wage assignment for the purposes of obtaining satisfaction for the legal financial obligation pursuant to RCW 9.94A.7701. Any party obtaining a wage assignment shall notify the county clerk. The county clerks shall notify the department, or the administrative office of the courts, whichever is providing the monthly billing for the offender.

~~((10))~~ (11) The requirement that the offender pay a monthly sum towards a legal financial obligation constitutes a condition or requirement of a sentence and the offender is subject to the penalties for noncompliance as provided in RCW 9.94B.040, 9.94A.737, or 9.94A.740. If the court determines that the offender is homeless or a person who is mentally ill, as defined in RCW 71.24.025, failure to pay a legal financial obligation is not willful noncompliance and shall not subject the offender to penalties.

~~((11))~~ (12)(a) The administrative office of the courts shall mail individualized periodic billings to the address known by the office for each offender with an unsatisfied legal financial obligation.

(b) The billing shall direct payments, other than outstanding cost of supervision assessments under RCW 9.94A.780, parole assessments under RCW 72.04A.120, and cost of probation assessments under RCW 9.95.214, to the county clerk, and cost of supervision, parole, or probation assessments to the department.

(c) The county clerk shall provide the administrative office of the courts with notice of payments by such offenders no less frequently than weekly.

(d) The county clerks, the administrative office of the courts, and the department shall maintain agreements to implement this subsection.

~~((12))~~ (13) The department shall arrange for the collection of unpaid legal financial obligations during any period of supervision in the community through

the county clerk. The department shall either collect unpaid legal financial obligations or arrange for collections through another entity if the clerk does not assume responsibility or is unable to continue to assume responsibility for collection pursuant to subsection ~~((4))~~ (5) of this section. The costs for collection services shall be paid by the offender.

~~((43))~~ (14) The county clerk may access the records of the employment security department for the purposes of verifying employment or income, seeking any assignment of wages, or performing other duties necessary to the collection of an offender's legal financial obligations.

~~((44))~~ (15) Nothing in this chapter makes the department, the state, the counties, or any state or county employees, agents, or other persons acting on their behalf liable under any circumstances for the payment of these legal financial obligations or for the acts of any offender who is no longer, or was not, subject to supervision by the department for a term of community custody, and who remains under the jurisdiction of the court for payment of legal financial obligations.

Sec. 15. RCW 9.94B.040 and 2002 c 175 s 8 are each amended to read as follows:

(1) If an offender violates any condition or requirement of a sentence, the court may modify its order of judgment and sentence and impose further punishment in accordance with this section.

(2) In cases where conditions from a second or later sentence of community supervision begin prior to the term of the second or later sentence, the court shall treat a violation of such conditions as a violation of the sentence of community supervision currently being served.

(3) If an offender fails to comply with any of the nonfinancial requirements or conditions of a sentence the following provisions apply:

(a)(i) Following the violation, if the offender and the department make a stipulated agreement, the department may impose sanctions such as work release, home detention with electronic monitoring, work crew, community restitution, inpatient treatment, daily reporting, curfew, educational or counseling sessions, supervision enhanced through electronic monitoring, jail time, or other sanctions available in the community.

(ii) Within seventy-two hours of signing the stipulated agreement, the department shall submit a report to the court and the prosecuting attorney outlining the violation or violations, and sanctions imposed. Within fifteen days of receipt of the report, if the court is not satisfied with the sanctions, the court may schedule a hearing and may modify the department's sanctions. If this occurs, the offender may withdraw from the stipulated agreement.

(iii) If the offender fails to comply with the sanction administratively imposed by the department, the court may take action regarding the original noncompliance. Offender failure to comply with the sanction administratively imposed by the department may be considered an additional violation;

(b) In the absence of a stipulated agreement, or where the court is not satisfied with the department's sanctions as provided in (a) of this subsection, the court, upon the motion of the state, or upon its own motion, shall require the offender to show cause why the offender should not be punished for the noncompliance. The court may issue a summons or a warrant of arrest for the offender's appearance;

(c) The state has the burden of showing noncompliance by a preponderance of the evidence. If the court finds that the violation has occurred, it may order the offender to be confined for a period not to exceed sixty days for each violation, and may (i) convert a term of partial confinement to total confinement, (ii) convert community restitution obligation to total or partial confinement, or (iii) ~~((convert monetary obligations, except restitution and the crime victim penalty assessment, to community restitution hours at the rate of the state minimum wage as established in RCW 49.46.020 for each hour of community restitution, or (iv)))~~ order one or more of the penalties authorized in (a)(i) of this subsection. Any time served in confinement awaiting a hearing on noncompliance shall be credited against any confinement order by the court;

(d) If the court finds that the violation was not willful, the court may modify its previous order regarding ~~((payment of legal financial obligations and regarding))~~ community restitution obligations; and

(e) If the violation involves a failure to undergo or comply with mental status evaluation and/or outpatient mental health treatment, the community corrections officer shall consult with the treatment provider or proposed treatment provider. Enforcement of orders concerning outpatient mental health treatment must reflect the availability of treatment and must pursue the least restrictive means of promoting participation in treatment. If the offender's failure to receive care essential for health and safety presents a risk of serious physical harm or probable harmful consequences, the civil detention and commitment procedures of chapter 71.05 RCW shall be considered in preference to incarceration in a local or state correctional facility.

(4) If the violation involves failure to pay legal financial obligations, the following provisions apply:

(a) The department and the offender may enter into a stipulated agreement that the failure to pay was willful noncompliance, according to the provisions and requirements of subsection (3)(a) of this section;

(b) In the absence of a stipulated agreement, or where the court is not satisfied with the department's sanctions as provided in a stipulated agreement under (a) of this subsection, the court, upon the motion of the state, or upon its own motion, shall require the offender to show cause why the offender should not be punished for the noncompliance. The court may issue a summons or a warrant of arrest for the offender's appearance;

(c) The state has the burden of showing noncompliance by a preponderance of the evidence. The court may not sanction the offender for failure to pay legal financial obligations unless the court finds, after a hearing and on the record, that the failure to pay is willful. A failure to pay is willful if the offender has the current ability to pay but refuses to do so. In determining whether the offender has the current ability to pay, the court shall inquire into and consider: (i) The offender's income and assets; (ii) the offender's basic living costs as defined by RCW 10.101.010 and other liabilities including child support and other legal financial obligations; and (iii) the offender's bona fide efforts to acquire additional resources. An offender who is indigent as defined by RCW 10.101.010(3) (a) through (c) is presumed to lack the current ability to pay;

(d) If the court determines that the offender is homeless or a person who is mentally ill, as defined in RCW 71.24.025, failure to pay a legal financial

obligation is not willful noncompliance and shall not subject the offender to penalties;

(e) If the court finds that the failure to pay is willful noncompliance, the court may order the offender to be confined for a period not to exceed sixty days for each violation or order one or more of the penalties authorized in subsection (3)(a)(i) of this section; and

(f) If the court finds that the violation was not willful, the court may, and if the court finds that the defendant is indigent as defined in RCW 10.101.010(3) (a) through (c), the court shall modify the terms of payment of the legal financial obligations, reduce or waive nonrestitution legal financial obligations, or convert nonrestitution legal financial obligations to community restitution hours, if the jurisdiction operates a community restitution program, at the rate of no less than the state minimum wage established in RCW 49.46.020 for each hour of community restitution. The crime victim penalty assessment under RCW 7.68.035 may not be reduced, waived, or converted to community restitution hours.

(5) The community corrections officer may obtain information from the offender's mental health treatment provider on the offender's status with respect to evaluation, application for services, registration for services, and compliance with the supervision plan, without the offender's consent, as described under RCW 71.05.630.

~~((5))~~ (6) An offender under community placement or community supervision who is civilly detained under chapter 71.05 RCW, and subsequently discharged or conditionally released to the community, shall be under the supervision of the department of corrections for the duration of his or her period of community placement or community supervision. During any period of inpatient mental health treatment that falls within the period of community placement or community supervision, the inpatient treatment provider and the supervising community corrections officer shall notify each other about the offender's discharge, release, and legal status, and shall share other relevant information.

~~((6))~~ (7) Nothing in this section prohibits the filing of escape charges if appropriate.

Sec. 16. RCW 3.62.085 and 2005 c 457 s 10 are each amended to read as follows:

Upon conviction or a plea of guilty in any court organized under this title or Title 35 RCW, a defendant in a criminal case is liable for a fee of forty-three dollars, except this fee shall not be imposed on a defendant who is indigent as defined in RCW 10.101.010(3) (a) through (c). This fee shall be subject to division with the state under RCW 3.46.120(2), 3.50.100(2), 3.62.020(2), 3.62.040(2), and 35.20.220(2).

Sec. 17. RCW 36.18.020 and 2017 3rd sp.s. c 2 s 3 are each amended to read as follows:

(1) Revenue collected under this section is subject to division with the state under RCW 36.18.025 and with the county or regional law library fund under RCW 27.24.070, except as provided in subsection (5) of this section.

(2) Clerks of superior courts shall collect the following fees for their official services:

(a) In addition to any other fee required by law, the party filing the first or initial document in any civil action, including, but not limited to an action for restitution, adoption, or change of name, and any party filing a counterclaim, cross-claim, or third-party claim in any such civil action, shall pay, at the time the document is filed, a fee of two hundred dollars except, in an unlawful detainer action under chapter 59.18 or 59.20 RCW for which the plaintiff shall pay a case initiating filing fee of forty-five dollars, or in proceedings filed under RCW 28A.225.030 alleging a violation of the compulsory attendance laws where the petitioner shall not pay a filing fee. The forty-five dollar filing fee under this subsection for an unlawful detainer action shall not include an order to show cause or any other order or judgment except a default order or default judgment in an unlawful detainer action.

(b) Any party, except a defendant in a criminal case, filing the first or initial document on an appeal from a court of limited jurisdiction or any party on any civil appeal, shall pay, when the document is filed, a fee of two hundred dollars.

(c) For filing of a petition for judicial review as required under RCW 34.05.514 a filing fee of two hundred dollars.

(d) For filing of a petition for unlawful harassment under RCW 10.14.040 a filing fee of fifty-three dollars.

(e) For filing the notice of debt due for the compensation of a crime victim under RCW 7.68.120(2)(a) a fee of two hundred dollars.

(f) In probate proceedings, the party instituting such proceedings, shall pay at the time of filing the first document therein, a fee of two hundred dollars.

(g) For filing any petition to contest a will admitted to probate or a petition to admit a will which has been rejected, or a petition objecting to a written agreement or memorandum as provided in RCW 11.96A.220, there shall be paid a fee of two hundred dollars.

(h) Upon conviction or plea of guilty, upon failure to prosecute an appeal from a court of limited jurisdiction as provided by law, or upon affirmance of a conviction by a court of limited jurisdiction, an adult defendant in a criminal case shall be liable for a fee of two hundred dollars, except this fee shall not be imposed on a defendant who is indigent as defined in RCW 10.101.010(3) (a) through (c).

(i) With the exception of demands for jury hereafter made and garnishments hereafter issued, civil actions and probate proceedings filed prior to midnight, July 1, 1972, shall be completed and governed by the fee schedule in effect as of January 1, 1972. However, no fee shall be assessed if an order of dismissal on the clerk's record be filed as provided by rule of the supreme court.

(3) No fee shall be collected when a petition for relinquishment of parental rights is filed pursuant to RCW 26.33.080 or for forms and instructional brochures provided under RCW 26.50.030.

(4) No fee shall be collected when an abstract of judgment is filed by the county clerk of another county for the purposes of collection of legal financial obligations.

(5)(a) Until July 1, 2021, in addition to the fees required to be collected under this section, clerks of the superior courts must collect surcharges as provided in this subsection (5) of which seventy-five percent must be remitted to the state treasurer for deposit in the judicial stabilization trust account and twenty-five percent must be retained by the county.

(b) On filing fees required to be collected under subsection (2)(b) of this section, a surcharge of thirty dollars must be collected.

(c) On all filing fees required to be collected under this section, except for fees required under subsection (2)(b), (d), and (h) of this section, a surcharge of forty dollars must be collected.

Sec. 18. RCW 43.43.7541 and 2015 c 265 s 31 are each amended to read as follows:

Every sentence imposed for a crime specified in RCW 43.43.754 must include a fee of one hundred dollars unless the state has previously collected the offender's DNA as a result of a prior conviction. The fee is a court-ordered legal financial obligation as defined in RCW 9.94A.030 and other applicable law. For a sentence imposed under chapter 9.94A RCW, the fee is payable by the offender after payment of all other legal financial obligations included in the sentence has been completed. For all other sentences, the fee is payable by the offender in the same manner as other assessments imposed. The clerk of the court shall transmit eighty percent of the fee collected to the state treasurer for deposit in the state DNA database account created under RCW 43.43.7532, and shall transmit twenty percent of the fee collected to the agency responsible for collection of a biological sample from the offender as required under RCW 43.43.754. This fee shall not be imposed on juvenile offenders if the state has previously collected the juvenile offender's DNA as a result of a prior conviction.

Sec. 19. RCW 7.68.035 and 2015 c 265 s 8 are each amended to read as follows:

(1)(a) When any person is found guilty in any superior court of having committed a crime, except as provided in subsection (2) of this section, there shall be imposed by the court upon such convicted person a penalty assessment. The assessment shall be in addition to any other penalty or fine imposed by law and shall be five hundred dollars for each case or cause of action that includes one or more convictions of a felony or gross misdemeanor and two hundred fifty dollars for any case or cause of action that includes convictions of only one or more misdemeanors.

(b) When any juvenile is adjudicated of an offense that is a most serious offense as defined in RCW 9.94A.030, or a sex offense under chapter 9A.44 RCW, there shall be imposed upon the juvenile offender a penalty assessment. The assessment shall be in addition to any other penalty or fine imposed by law and shall be one hundred dollars for each case or cause of action.

(c) When any juvenile is adjudicated of an offense which has a victim, and which is not a most serious offense as defined in RCW 9.94A.030 or a sex offense under chapter 9A.44 RCW, the court shall order up to seven hours of community restitution, unless the court finds that such an order is not practicable for the offender. This community restitution must be imposed consecutively to any other community restitution the court imposes for the offense.

(2) The assessment imposed by subsection (1) of this section shall not apply to motor vehicle crimes defined in Title 46 RCW except those defined in the following sections: RCW 46.61.520, 46.61.522, 46.61.024, 46.52.090, 46.70.140, 46.61.502, 46.61.504, 46.52.101, 46.20.410, 46.52.020, 46.10.495, 46.09.480, 46.61.5249, 46.61.525, 46.61.685, 46.61.530, 46.61.500, 46.61.015, 46.52.010, 46.44.180, 46.10.490(2), and 46.09.470(2).

(3) When any person accused of having committed a crime posts bail in superior court pursuant to the provisions of chapter 10.19 RCW and such bail is forfeited, there shall be deducted from the proceeds of such forfeited bail a penalty assessment, in addition to any other penalty or fine imposed by law, equal to the assessment which would be applicable under subsection (1) of this section if the person had been convicted of the crime.

(4) Such penalty assessments shall be paid by the clerk of the superior court to the county treasurer (~~(who shall monthly transmit the money as provided in RCW 10.82.070)~~). Each county shall deposit (~~(fifty)~~) one hundred percent of the money it receives per case or cause of action under subsection (1) of this section (~~(and retains under RCW 10.82.070)~~), not less than one and seventy-five one-hundredths percent of the remaining money it retains under RCW 10.82.070 and the money it retains under chapter 3.62 RCW, and all money it receives under subsection (7) of this section into a fund maintained exclusively for the support of comprehensive programs to encourage and facilitate testimony by the victims of crimes and witnesses to crimes. A program shall be considered "comprehensive" only after approval of the department upon application by the county prosecuting attorney. The department shall approve as comprehensive only programs which:

(a) Provide comprehensive services to victims and witnesses of all types of crime with particular emphasis on serious crimes against persons and property. It is the intent of the legislature to make funds available only to programs which do not restrict services to victims or witnesses of a particular type or types of crime and that such funds supplement, not supplant, existing local funding levels;

(b) Are administered by the county prosecuting attorney either directly through the prosecuting attorney's office or by contract between the county and agencies providing services to victims of crime;

(c) Make a reasonable effort to inform the known victim or his or her surviving dependents of the existence of this chapter and the procedure for making application for benefits;

(d) Assist victims in the restitution and adjudication process; and

(e) Assist victims of violent crimes in the preparation and presentation of their claims to the department of labor and industries under this chapter.

Before a program in any county west of the Cascade mountains is submitted to the department for approval, it shall be submitted for review and comment to each city within the county with a population of more than one hundred fifty thousand. The department will consider if the county's proposed comprehensive plan meets the needs of crime victims in cases adjudicated in municipal, district or superior courts and of crime victims located within the city and county.

(5) Upon submission to the department of a letter of intent to adopt a comprehensive program, the prosecuting attorney shall retain the money deposited by the county under subsection (4) of this section until such time as the county prosecuting attorney has obtained approval of a program from the department. Approval of the comprehensive plan by the department must be obtained within one year of the date of the letter of intent to adopt a comprehensive program. The county prosecuting attorney shall not make any expenditures from the money deposited under subsection (4) of this section until approval of a comprehensive plan by the department. If a county prosecuting attorney has failed to obtain approval of a program from the department under

subsection (4) of this section or failed to obtain approval of a comprehensive program within one year after submission of a letter of intent under this section, the county treasurer shall monthly transmit one hundred percent of the money deposited by the county under subsection (4) of this section to the state treasurer for deposit in the state general fund.

(6) County prosecuting attorneys are responsible to make every reasonable effort to insure that the penalty assessments of this chapter are imposed and collected.

(7) Every city and town shall transmit monthly one and seventy-five one-hundredths percent of all money, other than money received for parking infractions, retained under RCW 3.50.100 and 35.20.220 to the county treasurer for deposit as provided in subsection (4) of this section.

NEW SECTION. Sec. 20. Nothing in this act requires the courts to refund or reimburse amounts previously paid towards legal financial obligations or interest on legal financial obligations.

NEW SECTION. Sec. 21. If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2018, in the omnibus appropriations act, this act is null and void.

Passed by the House March 6, 2018.

Passed by the Senate February 28, 2018.

Approved by the Governor March 27, 2018.

Filed in Office of Secretary of State March 29, 2018.

CHAPTER 270

[Engrossed Second Substitute House Bill 1889]

OFFICE OF THE CORRECTIONS OMBUDS

AN ACT Relating to creating an office of the corrections ombuds; adding new sections to chapter 43.131 RCW; and adding a new chapter to Title 43 RCW.

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

NEW SECTION. Sec. 1. The legislature intends to create an independent and impartial office of the corrections ombuds to assist in strengthening procedures and practices that lessen the possibility of actions occurring within the department of corrections that may adversely impact the health, safety, welfare, and rehabilitation of offenders, and that will effectively reduce the exposure of the department to litigation.

NEW SECTION. Sec. 2. Subject to the availability of amounts appropriated for this specific purpose, there is hereby created an office of corrections ombuds within the office of the governor for the purpose of providing information to inmates and their families; promoting public awareness and understanding of the rights and responsibilities of inmates; identifying system issues and responses for the governor and the legislature to act upon; and ensuring compliance with relevant statutes, rules, and policies pertaining to corrections facilities, services, and treatment of inmates under the jurisdiction of the department.

The ombuds reports directly to the governor and exercises his or her powers and duties independently of the secretary.

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

(1) "Abuse" means any act or failure to act by a department employee, subcontractor, or volunteer which was performed, or which was failed to be performed, knowingly, recklessly, or intentionally, and which caused, or may have caused, injury or death to an inmate.

(2) "Corrections ombuds" or "ombuds" means the corrections ombuds, staff of the corrections ombuds, and volunteers with the office of the corrections ombuds.

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

(4) "Inmate" means a person committed to the physical custody of the department, including persons residing in a correctional institution or facility and persons received from another state, another state agency, a county, or the federal government.

(5) "Neglect" means a negligent act or omission by any department employee, subcontractor, or volunteer which caused, or may have caused, injury or death to an inmate.

(6) "Office" means the office of the corrections ombuds.

(7) "Secretary" means the secretary of the department of corrections.

(8) "Statewide family council" means the family council maintained by the department that is comprised of representatives from local family councils.

NEW SECTION. Sec. 4. (1) Subject to the availability of amounts appropriated for this specific purpose, the governor shall appoint an ombuds who must be a person of recognized judgment, independence, objectivity, and integrity, and be qualified by training or experience in corrections law and policy. Prior to the appointment, the governor shall consult with, and may receive recommendations from, the appropriate committees of the legislature, delegates of the statewide family council as selected by the members of the council, and other relevant stakeholders, regarding the selection of the ombuds.

(2) The person appointed ombuds holds office for a term of three years and continues to hold office until reappointed or until his or her successor is appointed. The governor may remove the ombuds only for neglect of duty, misconduct, or the inability to perform duties. Any vacancy must be filled by similar appointment for the remainder of the unexpired term.

(3) The ombuds may employ technical experts and other employees to complete the purposes of this chapter.

NEW SECTION. Sec. 5. (1) The ombuds shall:

(a) Establish priorities for use of the limited resources available to the ombuds;

(b) Maintain a statewide toll-free telephone number, a collect telephone number, a web site, and a mailing address for the receipt of complaints and inquiries;

(c) Provide information, as appropriate, to inmates, family members, representatives of inmates, department employees, and others regarding the rights of inmates;

(d) Provide technical assistance to support inmate participation in self-advocacy;

(e) Monitor department compliance with applicable federal, state, and local laws, rules, regulations, and policies as related to the health, safety, welfare, and rehabilitation of inmates;

(f) Monitor and participate in legislative and policy developments affecting correctional facilities;

(g) Establish a statewide uniform reporting system to collect and analyze data related to complaints received by the ombuds regarding the department;

(h) Establish procedures to receive, investigate, and resolve complaints;

(i) Establish procedures to gather stakeholder input into the ombuds' activities and priorities, which must include at a minimum quarterly public meetings;

(j) Submit annually to the governor's office, the legislature, and the statewide family council, by November 1st of each year, a report that includes, at a minimum, the following information:

(i) The budget and expenditures of the ombuds;

(ii) The number of complaints received and resolved by the ombuds;

(iii) A description of significant systemic or individual investigations or outcomes achieved by the ombuds during the prior year;

(iv) Any outstanding or unresolved concerns or recommendations of the ombuds; and

(v) Input and comments from stakeholders, including the statewide family council, regarding the ombuds' activities during the prior year; and

(k) Adopt and comply with rules, policies, and procedures necessary to implement this chapter.

(2)(a) The ombuds may initiate and attempt to resolve an investigation upon his or her own initiative, or upon receipt of a complaint from an inmate, a family member, a representative of an inmate, a department employee, or others, regarding any of the following that may adversely affect the health, safety, welfare, and rights of inmates:

(i) Abuse or neglect;

(ii) Department decisions or administrative actions;

(iii) Inactions or omissions;

(iv) Policies, rules, or procedures; or

(v) Alleged violations of law by the department that may adversely affect the health, safety, welfare, and rights of inmates.

(b) Prior to filing a complaint with the ombuds, a person shall have reasonably pursued resolution of the complaint through the internal grievance, administrative, or appellate procedures with the department. However, in no event may an inmate be prevented from filing a complaint more than ninety business days after filing an internal grievance, regardless of whether the department has completed the grievance process. This subsection (2)(b) does not apply to complaints related to threats of bodily harm including, but not limited to, sexual or physical assaults or the denial of necessary medical treatment.

(c) The ombuds may decline to investigate any complaint as provided by the rules adopted under this chapter.

(d) If the ombuds does not investigate a complaint, the ombuds shall notify the complainant of the decision not to investigate and the reasons for the decision.

(e) The ombuds may not investigate any complaints relating to an inmate's underlying criminal conviction.

(f) The ombuds may not investigate a complaint from a department employee that relates to the employee's employment relationship with the department or the administration of the department, unless the complaint is related to the health, safety, welfare, and rehabilitation of inmates.

(g) The ombuds must attempt to resolve any complaint at the lowest possible level.

(h) The ombuds may refer complainants and others to appropriate resources, agencies, or departments.

(i) The ombuds may not levy any fees for the submission or investigation of complaints.

(j) The ombuds must remain neutral and impartial and may not act as an advocate for the complainant or for the department.

(k) At the conclusion of an investigation of a complaint, the ombuds must render a public decision on the merits of each complaint, except that the documents supporting the decision are subject to the confidentiality provisions of section 7 of this act. The ombuds must communicate the decision to the inmate, if any, and to the department. The ombuds must state its recommendations and reasoning if, in the ombuds' opinion, the department or any employee thereof should:

(i) Consider the matter further;

(ii) Modify or cancel any action;

(iii) Alter a rule, practice, or ruling;

(iv) Explain in detail the administrative action in question; or

(v) Rectify an omission.

(l) If the ombuds so requests, the department must, within the time specified, inform the ombuds about any action taken on the recommendations or the reasons for not complying with the recommendations.

(m) If the ombuds believes, based on the investigation, that there has been or continues to be a significant inmate health, safety, welfare, or rehabilitation issue, the ombuds must report the finding to the governor and the appropriate committees of the legislature.

(n) Before announcing a conclusion or recommendation that expressly, or by implication, criticizes a person or the department, the ombuds shall consult with that person or the department. The ombuds may request to be notified by the department, within a specified time, of any action taken on any recommendation presented. The ombuds must notify the inmate, if any, of the actions taken by the department in response to the ombuds' recommendations.

(3) This chapter does not require inmates to file a complaint with the ombuds in order to exhaust available administrative remedies for purposes of the prision litigation reform act of 1995, P.L. 104-134.

NEW SECTION. Sec. 6. (1) The ombuds must have reasonable access to correctional facilities at all times necessary to conduct a full investigation of an incident of abuse or neglect. This authority includes the opportunity to interview any inmate, department employee, or other person, including the person thought to be the victim of such abuse, who might be reasonably believed by the facility to have knowledge of the incident under investigation. Such access must be afforded, upon request by the ombuds, when:

- (a) An incident is reported or a complaint is made to the office;
- (b) The ombuds determines there is probable cause to believe that an incident has or may have occurred; or
- (c) The ombuds determines that there is or may be imminent danger of serious abuse or neglect of an inmate.

(2) The ombuds must have reasonable access to department facilities, including all areas which are used by inmates, all areas which are accessible to inmates, and to programs for inmates at reasonable times, which at a minimum must include normal working hours and visiting hours. This access is for the purpose of:

- (a) Providing information about individual rights and the services available from the office, including the name, address, and telephone number of the office;
- (b) Monitoring compliance with respect to the rights and safety of inmates; and
- (c) Inspecting, viewing, photographing, and video recording all areas of the facility which are used by inmates or are accessible to inmates.

(3) Access to inmates includes the opportunity to meet and communicate privately and confidentially with individuals regularly, both formally and informally, by telephone, mail, and in person.

(4) The ombuds has the right to access, inspect, and copy all relevant information, records, or documents in the possession or control of the department that the ombuds considers necessary in an investigation of a complaint filed under this chapter, and the department must assist the ombuds in obtaining the necessary releases for those documents which are specifically restricted or privileged for use by the ombuds.

(5) Following notification from the ombuds with a written demand for access to agency records, the delegated department staff must provide the ombuds with access to the requested documentation not later than twenty business days after the ombuds' written request for the records. Where the records requested by the ombuds pertain to an inmate death, threats of bodily harm including, but not limited to, sexual or physical assaults, or the denial of necessary medical treatment, the records shall be provided within five days unless the ombuds consents to an extension of that time frame.

(6) Upon notice and a request by the ombuds, a state or local government agency or entity that has records that are relevant to a complaint or an investigation conducted by the ombuds must provide the ombuds with access to such records.

(7) The ombuds must work with the department to minimize disruption to the operations of the department due to ombuds activities and must comply with the department's security clearance processes, provided those processes do not impede the activities outlined in this section.

NEW SECTION. Sec. 7. (1) Correspondence and communication with the office is confidential and must be protected as privileged correspondence in the same manner as legal correspondence or communication.

(2) The office shall establish confidentiality rules and procedures for all information maintained by the office.

(3) The ombuds shall treat all matters under investigation, including the identities of recipients of ombuds services, complainants, and individuals from whom information is acquired, as confidential, except as far as disclosures may

be necessary to enable the ombuds to perform the duties of the office and to support any recommendations resulting from an investigation. Upon receipt of information that by law is confidential or privileged, the ombuds shall maintain the confidentiality of such information and shall not further disclose or disseminate the information except as provided by applicable state or federal law or as authorized by subsection (4) of this section. All records exchanged and communications between the office of the corrections ombuds and the department to include the investigative record are confidential and are exempt from public disclosure under chapter 42.56 RCW.

(4) To the extent the ombuds reasonably believes necessary, the ombuds:

(a) Must reveal information obtained in the course of providing ombuds services to prevent reasonably certain death or substantial bodily harm; and

(b) May reveal information obtained in the course of providing ombuds services to prevent the commission of a crime.

(5) If the ombuds believes it is necessary to reveal investigative records for any of the reasons outlined in section 4 of this act, the ombuds shall provide a copy of what they intend to disclose to the department for review and application of legal exemptions prior to releasing to any other persons. If the ombuds receives personally identifying information about individual corrections staff during the course of an investigation that the ombuds determines is unrelated or unnecessary to the subject of the investigation or recommendation for action, the ombuds will not further disclose such information. If the ombuds determines that such disclosure is necessary to an investigation or recommendation, the ombuds will contact the staff member as well as the bargaining unit representative before any disclosure.

NEW SECTION. Sec. 8. (1) A civil action may not be brought against any employee of the office for good faith performance of responsibilities under this chapter.

(2) No discriminatory, disciplinary, or retaliatory action may be taken against a department employee, subcontractor, or volunteer, an inmate, or a family member or representative of an inmate for any communication made, or information given or disclosed, to aid the office in carrying out its responsibilities, unless the communication or information is made, given, or disclosed maliciously or without good faith.

(3) This section is not intended to infringe on the rights of an employer to supervise, discipline, or terminate an employee for other reasons.

NEW SECTION. Sec. 9. Sections 1 through 8 of this act constitute a new chapter in Title 43 RCW.

NEW SECTION. Sec. 10. A new section is added to chapter 43.131 RCW to read as follows:

The office of the corrections ombuds is terminated July 1, 2028, as provided in section 11 of this act.

NEW SECTION. Sec. 11. A new section is added to chapter 43.131 RCW to read as follows:

The following acts or parts of acts, as now existing or hereafter amended, are each repealed, effective July 1, 2029:

(1) Section 1 of this act;

(2) Section 2 of this act;

- (3) Section 3 of this act;
- (4) Section 4 of this act;
- (5) Section 5 of this act;
- (6) Section 6 of this act;
- (7) Section 7 of this act; and
- (8) Section 8 of this act.

Passed by the House March 5, 2018.

Passed by the Senate February 28, 2018.

Approved by the Governor March 27, 2018.

Filed in Office of Secretary of State March 29, 2018.

CHAPTER 271

[Engrossed Substitute House Bill 2610]

SCHOOL MEALS

AN ACT Relating to a hunger-free students' bill of rights; adding new sections to chapter 28A.235 RCW; adding a new section to chapter 28A.300 RCW; and creating a new section.

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

NEW SECTION. Sec. 1. A new section is added to chapter 28A.235 RCW to read as follows:

(1)(a) Except as provided otherwise in subsection (2) of this section, each school that participates in the national school lunch program, the school breakfast program, or both, shall annually distribute and collect an application for all households of children in kindergarten through grade twelve to determine student eligibility for free or reduced-price meals. If a parent or guardian of a student needs assistance with application materials in a language other than English, the school shall offer appropriate assistance to the parent or guardian.

(b) If a student who, based on information available to the school, is likely eligible for free or reduced-price meals but has not submitted an application to determine eligibility, the school shall, in accordance with the authority granted under 7 C.F.R. Sec. 245.6(d), complete and submit the application for the student.

(2) Subsection (1) of this section does not apply to a school that provides free meals to all students in a year in which the school does not collect applications to determine student eligibility for free or reduced-price meals.

NEW SECTION. Sec. 2. A new section is added to chapter 28A.235 RCW to read as follows:

(1) Local liaisons for homeless children and youths designated by districts in accordance with the federal McKinney-Vento homeless assistance act 42 U.S.C. Sec. 11431 et seq. must improve systems to identify homeless students and coordinate with the applicable school nutrition program to ensure that each homeless student has proper access to free school meals and that applicable accountability and reporting requirements are satisfied.

(2) Schools and school districts shall improve systems to identify students in foster care, runaway students, and migrant students to ensure that each student has proper access to free school meals and that applicable accountability and reporting requirements are satisfied.

(3) At least monthly, schools and school districts shall directly certify students for free school meals if the students qualify because of enrollment in assistance programs, including but not limited to the supplemental nutrition assistance program, the temporary assistance for needy families, and medicaid.

NEW SECTION. Sec. 3. A new section is added to chapter 28A.235 RCW to read as follows:

If a student has not paid for five or more previous meals, the school shall:

(1) Determine whether the student is categorically eligible for free meals;

(2) If no application has been submitted for the student to determine his or her eligibility for free or reduced-price meals, make no fewer than two attempts to contact the student's parent or guardian to have him or her submit an application; and

(3) Have a principal, assistant principal, or school counselor contact the parent or guardian for the purpose of: (a) Offering assistance with completing an application to determine the student's eligibility for free or reduced-price meals; (b) determining whether there are any household issues that may prevent the student from having sufficient funds for school meals; and (c) offering any appropriate assistance.

NEW SECTION. Sec. 4. A new section is added to chapter 28A.235 RCW to read as follows:

(1) No school or school district personnel or school volunteer may:

(a) Take any action that would publicly identify a student who cannot pay for a school meal or for meals previously served to the student, including but not limited to requiring the student to wear a wristband, hand stamp, or other identifying marker, or by serving the student an alternative meal;

(b) Require a student who cannot pay for a school meal or for meals previously served to the student to perform chores or other actions in exchange for a meal or for the reduction or elimination of a school meal debt, unless all students perform similar chores or work;

(c) Require a student to dispose of an already served meal because of the student's inability to pay for the meal or because of money owed for meals previously served to the student;

(d) Allow any disciplinary action that is taken against a student to result in the denial or delay of a nutritionally adequate meal to the student; or

(e) Require a parent or guardian to pay fees or costs in excess of the actual amounts owed for meals previously served to the student.

(2) Communications from a school or school district about amounts owed for meals previously served to a student under the age of fifteen may only be directed to the student's parent or guardian. Nothing in this subsection prohibits a school or school district from sending a student home with a notification that is addressed to the student's parent or guardian.

(3)(a) A school district shall notify a parent or guardian of the negative balance of a student's school meal account no later than ten days after the student's school meal account has reached a negative balance. Within thirty days of sending this notification, the school district shall exhaust all options to directly certify the student for free or reduced-price meals. Within these thirty days, while the school district is attempting to certify the student for free or reduced-price meals, the student may not be denied access to a school meal

unless the school district determines that the student is ineligible for free or reduced-price meals.

(b) If the school district is unable to directly certify the student for free or reduced-price meals, the school district shall provide the parent or guardian with a paper copy of or an electronic link to an application for free or reduced-price meals with the notification required by (a) of this subsection and encourage the parent or guardian to submit the application.

NEW SECTION. Sec. 5. A new section is added to chapter 28A.300 RCW to read as follows:

The office of the superintendent of public instruction shall collect, analyze, and promote to school districts and applicable community-based organizations best practices in local meal charge policies that are required by the United States department of agriculture in memorandum SP 46-2016.

NEW SECTION. Sec. 6. A new section is added to chapter 28A.235 RCW to read as follows:

(1) The office of the superintendent of public instruction shall develop and implement a plan to increase the number of schools participating in the United States department of agriculture community eligibility provision for the 2018-19 school year and subsequent years. The office shall work jointly with community-based organizations and national experts focused on hunger and nutrition and familiar with the community eligibility provision, at least two school representatives who have successfully implemented community eligibility, and the state agency responsible for medicaid direct certification. The plan must describe how the office of the superintendent of public instruction will:

(a) Identify and recruit eligible schools to implement the community eligibility provision, with the goal of increasing the participation rate of eligible schools to at least the national average;

(b) Provide comprehensive outreach and technical assistance to school districts and schools to implement the community eligibility provision;

(c) Support breakfast after the bell programs authorized by the legislature to adopt the community eligibility provision;

(d) Work with school districts to group schools in order to maximize the number of schools implementing the community eligibility provision; and

(e) Determine the maximum percentage of students eligible for free meals where participation in the community eligibility provision provides the most support for a school, school district, or group of schools.

(2) Until June 30, 2019, the office of the superintendent of public instruction shall convene the organizations working jointly on the plan monthly to report on the status of the plan and coordinate outreach and technical assistance efforts to schools and school districts.

(3) Beginning in 2018, the office of the superintendent of public instruction shall report annually the number of schools that have implemented the community eligibility provision to the legislature by September 1st of each year. The report shall identify:

(a) Any barriers to implementation;

(b) Recommendations on policy and legislative solutions to overcome barriers to implementation;

(c) Reasons potentially eligible schools and school districts decide not to adopt the community eligibility provision; and

(d) Approaches in other states to adopting the community eligibility provision.

NEW SECTION. Sec. 7. This act may be known and cited as the hunger-free students' bill of rights act.

Passed by the House March 7, 2018.

Passed by the Senate March 6, 2018.

Approved by the Governor March 27, 2018.

Filed in Office of Secretary of State March 29, 2018.

CHAPTER 272

[House Bill 2709]

LAW ENFORCEMENT OFFICERS' AND FIREFIGHTERS' PLAN 2--EXECUTIVE DIRECTOR SALARY

AN ACT Relating to the authority of the law enforcement officers' and firefighters' plan 2 retirement board to set the salary of the executive director; and amending RCW 43.03.040 and 41.26.717.

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

Sec. 1. RCW 43.03.040 and 2015 3rd sp.s. c 1 s 319 are each amended to read as follows:

Subject to RCW 41.04.820, the directors of the several departments and members of the several boards and commissions, whose salaries are fixed by the governor and the chief executive officers of the agencies named in RCW 43.03.028(1) as now or hereafter amended shall each severally receive such salaries, payable in monthly installments, as shall be fixed by the governor or the appropriate salary fixing authority, and, unless set according to RCW 41.26.717(1), in an amount not to exceed the recommendations of the office of financial management. From February 18, 2009, through June 30, 2013, a salary or wage increase shall not be granted to any position under this section, except that increases may be granted for positions for which the employer has demonstrated difficulty retaining qualified employees if the following conditions are met:

(1) The salary increase can be paid within existing resources;

(2) The salary increase will not adversely impact the provision of client services; and

(3) For any state agency of the executive branch, not including institutions of higher education, the salary increase is approved by the director of the office of financial management.

Any agency granting a salary increase from February 15, 2010, through June 30, 2011, to a position under this section shall submit a report to the fiscal committees of the legislature no later than July 31, 2011, detailing the positions for which salary increases were granted, the size of the increases, and the reasons for giving the increases.

Any agency granting a salary increase from July 1, 2011, through June 30, 2013, to a position under this section shall submit a report to the fiscal committees of the legislature by July 31, 2012, and July 31, 2013, detailing the

positions for which salary increases were granted during the preceding fiscal year, the size of the increases, and the reasons for giving the increases.

Sec. 2. RCW 41.26.717 and 2003 c 92 s 1 are each amended to read as follows:

The law enforcement officers' and firefighters' plan 2 retirement board established in section 4, chapter 2, Laws of 2003 has the following duties and powers in addition to any other duties or powers authorized or required by law. The board:

(1) Shall hire an executive director, and shall fix the salary of the executive director subject to periodic review by the board and in consultation with the director of the office of financial management and shall provide notice to the chairs of the house of representatives and senate fiscal committees of changes;

(2) Shall employ other staff as necessary to implement the purposes of chapter 2, Laws of 2003. Staff must be state employees under Title 41 RCW;

~~((2))~~ (3) Shall adopt an annual budget as provided in section 5, chapter 2, Laws of 2003. Expenses of the board are paid from the expense fund created in RCW 41.26.732;

~~((3))~~ (4) May make, execute, and deliver contracts, conveyances, and other instruments necessary to exercise and discharge its powers and duties;

~~((4))~~ (5) May contract for all or part of the services necessary for the management and operation of the board with other state or nonstate entities authorized to do business in the state; and

~~((5))~~ (6) May contract with actuaries, auditors, and other consultants as necessary to carry out its responsibilities.

Passed by the House March 5, 2018.

Passed by the Senate March 2, 2018.

Approved by the Governor March 27, 2018.

Filed in Office of Secretary of State March 29, 2018.

CHAPTER 273

[Engrossed House Bill 2808]

WHOLESALE VEHICLE DEALER LICENSES--RENEWAL--PHASE OUT

AN ACT Relating to vehicle dealer licensing; amending 2017 c 15 s 1 (uncodified); adding a new section to chapter 46.70 RCW; repealing 2017 c 15 ss 2, 3, 4, 5, and 6; repealing 2017 c 15 s 8 (uncodified); and providing an effective date.

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

Sec. 1. 2017 c 15 s 1 (uncodified) is amended to read as follows:

(1)(a) Effective July 1, 2017, the department of licensing may not issue any new wholesale vehicle dealer licenses.

~~((2))~~ (b) Effective July 1, 2018, the department of licensing may not renew any wholesale vehicle dealer licenses(~~-~~

~~(3) This section expires October 31, 2019)), except as provided in subsection (2) of this section.~~

(2) The department of licensing shall renew a wholesale vehicle dealer license of a wholesale vehicle dealer who has held the license continuously for at least the previous six years from the effective date of this section and who otherwise meets the requirements of this chapter.

NEW SECTION. **Sec. 2.** The following acts or parts of acts are each repealed:

- (1) 2017 c 15 s 2;
- (2) 2017 c 15 s 3;
- (3) 2017 c 15 s 4;
- (4) 2017 c 15 s 5;
- (5) 2017 c 15 s 6; and
- (6) 2017 c 15 s 8 (uncodified).

NEW SECTION. **Sec. 3.** Section 1 of this act is added to chapter 46.70 RCW.

NEW SECTION. **Sec. 4.** This act takes effect July 1, 2018.

Passed by the House February 13, 2018.

Passed by the Senate March 1, 2018.

Approved by the Governor March 27, 2018.

Filed in Office of Secretary of State March 29, 2018.

CHAPTER 274

[Substitute House Bill 3002]

BUDGET STABILIZATION ACCOUNT--APPROPRIATIONS

AN ACT Relating to making expenditures from the budget stabilization account for declared catastrophic events; creating a new section; making appropriations; and declaring an emergency.

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

NEW SECTION. **Sec. 1.** On September 2, 2017, the governor declared a state of emergency in all counties due to threats to life and property from existing and threatened wildfires.

NEW SECTION. **Sec. 2.** FOR THE DEPARTMENT OF NATURAL RESOURCES—FIRES. The sum of nineteen million eight hundred eight thousand dollars is appropriated from the budget stabilization account for the fiscal year ending June 30, 2018, and is provided solely for fire suppression costs incurred by the department of natural resources during the 2017 fire season. For purposes of RCW 43.88.055(4), the appropriation in this section does not alter the requirement to balance in ensuing biennia.

NEW SECTION. **Sec. 3.** FOR THE WASHINGTON STATE PATROL—FIRES. The sum of two million six hundred fifty thousand dollars is appropriated from the budget stabilization account for the fiscal year ending June 30, 2018, and 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. For purposes of RCW 43.88.055(4), the appropriation in this section does not alter the requirement to balance in ensuing biennia.

NEW SECTION. **Sec. 4.** 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 6, 2018.

Passed by the Senate March 7, 2018.

Approved by the Governor March 27, 2018.
Filed in Office of Secretary of State March 29, 2018.

CHAPTER 275

[Engrossed Fourth Substitute Senate Bill 5251]
STATE TOURISM MARKETING PLAN

AN ACT Relating to tourism marketing; reenacting and amending RCW 43.84.092; adding a new section to chapter 82.08 RCW; adding a new chapter to Title 43 RCW; and creating a new section.

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

NEW SECTION. Sec. 1. FINDINGS AND PURPOSE. (1) The legislature finds that the tourism industry is the fourth largest economic sector in the state of Washington and provides general economic benefit to the state. Since 2011 there have been minimal general funds committed to statewide tourism marketing and Washington is the only state without a state-funded tourism marketing program. Before 2011, the amount of funds appropriated to statewide tourism marketing was not significant and, in fact, Washington ranked forty-eighth in state tourism funding. Washington has significant attractions and activities for tourists, including many natural outdoor assets that draw visitors to mountains, waterways, parks, and open spaces. There should be a program to publicize these assets and activities to potential out-of-state visitors that is implemented in an expeditious manner by tourism professionals in the private sector.

(2) The purpose of this act is to establish the framework and funding for a statewide tourism marketing program. The program needs to have a structure that includes significant, stable, long-term funding, and it should be implemented and managed by the tourism industry. The source of funds should be from major sectors of the tourism industry with government assistance in collecting these funds and providing accountability for their expenditure. The dedicated sales tax authorized for contributions made in this chapter will bring direct benefits to those making contributions by bringing more tourists into the state who will patronize the participating businesses and create economic benefit for the state.

NEW SECTION. Sec. 2. DEFINITIONS. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Authority" means the Washington tourism marketing authority created in section 3 of this act.

(2) "Board" means the Washington tourism marketing authority board of directors.

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

(4) "Director" means the director of the department of commerce.

(5) "Statewide tourism marketing account" means the account created pursuant to section 5 of this act.

NEW SECTION. Sec. 3. WASHINGTON TOURISM MARKETING AUTHORITY—ESTABLISHED. (1) The Washington tourism marketing authority is established as a public body constituting an instrumentality of the state of Washington.

(2) The authority is responsible for contracting for statewide tourism marketing services that promote tourism on behalf of the citizens of the state, and for managing the authority's financial resources.

(3) The department provides administrative assistance to the authority and serves as the fiscal agent of the authority for moneys appropriated for purposes of the authority.

(4) The authority must create a private local account to receive nonstate funds and state funds, other than general fund state funds, contributed to the authority for purposes of this chapter.

NEW SECTION. Sec. 4. BOARD OF DIRECTORS AND ADVISORY COMMITTEE. (1) The authority must be governed by a board of directors. The board of directors must consist of:

(a) Two members and two alternates from the house of representatives, with one member and one alternate appointed from each of the two major caucuses of the house of representatives by the speaker of the house of representatives;

(b) Two members and two alternates from the senate, with one member and one alternate appointed from each of the two major caucuses of the senate by the president of the senate; and

(c) Nine representatives with expertise in the tourism industry and related businesses including, but not limited to, hotel, restaurant, outdoor recreation, attractions, retail, and rental car businesses appointed by the governor.

(2) The initial membership of the authority must be appointed as follows:

(a) By May 1, 2018, the speaker of the house of representatives and the president of the senate must each submit to the governor a list of ten nominees who are not legislators or employees of the state or its political subdivisions, with no caucus submitting the same nominee;

(b) The nominations from the speaker of the house of representatives must include at least one representative from the restaurant industry; one representative from the rental car industry; and one representative from the retail industry;

(c) The nominations from the president of the senate must include at least one representative from the hotel industry; one representative from the attractions industry; and one representative from the outdoor recreation industry; and

(d) The remaining member appointed by the governor must have a demonstrated expertise in the tourism industry.

(3) By July 1, 2018, the governor must appoint four members from each list submitted by the speaker of the house of representatives and the president of the senate under subsection (2)(a) through (c) of this section and one member under subsection (2)(d) of this section. Appointments by the governor must reflect diversity in geography, size of business, gender, and ethnicity. No county may have more than two appointments and no city may have more than one appointment.

(4) There must be a nonvoting advisory committee to the board. The advisory committee must consist of:

(a) One ex officio representative from the department, state parks and recreation commission, department of transportation, and other state agencies as the authority deems appropriate; and

(b) One member from a federally recognized Indian tribe appointed by the director of the department.

(5) The initial appointments under subsections (1) and (2) of this section must be appointed by the governor to terms as follows: Four members for two-year terms; four members for three-year terms; and five members for four-year terms, which must include the chair. After the initial appointments, all appointments must be for four years.

(6) The board must select from its membership the chair of the board and such other officers as it deems appropriate. The chair of the board must be a member from the tourism industry or related businesses.

(7) A majority of the board constitutes a quorum.

(8) The board must create its own bylaws in accordance with the laws of the state of Washington.

(9) Any member of the board may be removed for misfeasance, malfeasance, or willful neglect of duty after notice and a public hearing, unless the notice and hearing are expressly waived in writing by the affected member.

(10) If a vacancy occurs on the board, a replacement must be appointed for the unexpired term.

(11) The members of the board serve without compensation but are entitled to reimbursement, solely from the funds of the authority, for expenses incurred in the discharge of their duties.

(12) The board must meet at least quarterly.

(13) No board member of the authority may serve on the board of an organization that could be considered for a contract authorized under section 6 of this act.

NEW SECTION. **Sec. 5.** STATEWIDE TOURISM MARKETING ACCOUNT. The statewide tourism marketing account is created in the state treasury. All receipts from tax revenues under section 9 of this act 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 expenditures of the department that are related to implementation of a statewide tourism marketing program and operation of the authority. A two-to-one nonstate or state fund, other than general fund state, match must be provided for all expenditures from the account. A match may consist of nonstate or state fund, other than general fund state, cash contributions deposited in the private local account created under section 3(4) of this act, the value of an advertising equivalency contribution, or an in-kind contribution. The board must determine criteria for what qualifies as an in-kind contribution.

NEW SECTION. **Sec. 6.** USE OF FUNDS. (1) From amounts appropriated to the department for the authority and from other moneys available to it, the authority may incur expenditures for any purpose specifically authorized by this chapter including:

(a) Entering into a contract for a multiple-year statewide tourism marketing plan with a statewide nonprofit organization existing on the effective date of this section whose sole purpose is marketing Washington to tourists. The marketing plan must include, but is not limited to, focuses on rural tourism-dependent counties, natural wonders and outdoor recreation opportunities of the state, attraction of international tourists, identification of local offerings for tourists,

and assistance for tourism areas adversely impacted by natural disasters. In the event that no such organization exists on the effective date of this section or the initial contractor ceases to exist, the authority may determine criteria for a contractor to carry out a statewide marketing program;

(b) Contracting for the evaluation of the impact of the statewide tourism marketing program; and

(c) Paying for administrative expenses of the authority, which may not exceed two percent of the state portion of funds collected in any fiscal year.

(2) All nonstate moneys received by the authority under section 7 of this act or otherwise provided to the authority for purposes of matching funding must be deposited in the authority's private local account created under section 3(4) of this act and are held in trust for uses authorized solely by this chapter.

NEW SECTION. Sec. 7. GIFTS OR GRANTS TO THE WASHINGTON TOURISM MARKETING AUTHORITY. The board 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 authority and spend gift, grants, or endowments or income from public or private sources according to their terms, unless the receipt of gifts, grants, or endowments violates RCW 42.17A.560.

NEW SECTION. Sec. 8. SHORT TITLE. This chapter may be known and cited as the statewide tourism marketing act.

NEW SECTION. Sec. 9. A new section is added to chapter 82.08 RCW to read as follows:

(1) Beginning July 1, 2018, 0.2 percent of taxes collected pursuant to RCW 82.08.020(1) on retail sales of lodging, car rentals, and restaurants must be deposited into the statewide tourism marketing account created in section 5 of this act. Except as provided otherwise for fiscal year 2019 in subsection (2) of this section, future revenue collections under this section may be up to three million dollars per biennium and must be deposited into the statewide tourism marketing account created in section 5 of this act. The deposit under this subsection to the statewide tourism marketing account may only occur if the legislature authorizes the deposit in the biennial omnibus appropriations act.

(2) For fiscal year 2019, up to a maximum of one million five hundred thousand dollars must be deposited in the statewide tourism marketing account created in section 5 of this act. The deposit under this subsection to the statewide tourism marketing account may only occur if the legislature authorizes the deposit in the biennial omnibus appropriations act.

Sec. 10. RCW 43.84.092 and 2017 3rd sp.s. c 25 s 50, 2017 3rd sp.s. c 12 s 12, and 2017 c 290 s 8 are each reenacted and amended to read as follows:

(1) All earnings of investments of surplus balances in the state treasury shall be deposited to the treasury income account, which account is hereby established in the state treasury.

(2) The treasury income account shall be utilized to pay or receive funds associated with federal programs as required by the federal cash management improvement act of 1990. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for refunds or allocations of interest earnings required by the cash management improvement act. Refunds of interest to the federal treasury required under the cash management

improvement act fall under RCW 43.88.180 and shall not require appropriation. The office of financial management shall determine the amounts due to or from the federal government pursuant to the cash management improvement act. The office of financial management may direct transfers of funds between accounts as deemed necessary to implement the provisions of the cash management improvement act, and this subsection. Refunds or allocations shall occur prior to the distributions of earnings set forth in subsection (4) of this section.

(3) Except for the provisions of RCW 43.84.160, the treasury income account may be utilized for the payment of purchased banking services on behalf of treasury funds including, but not limited to, depository, safekeeping, and disbursement functions for the state treasury and affected state agencies. The treasury income account is subject in all respects to chapter 43.88 RCW, but no appropriation is required for payments to financial institutions. Payments shall occur prior to distribution of earnings set forth in subsection (4) of this section.

(4) Monthly, the state treasurer shall distribute the earnings credited to the treasury income account. The state treasurer shall credit the general fund with all the earnings credited to the treasury income account except:

(a) The following accounts and funds shall receive their proportionate share of earnings based upon each account's and fund's average daily balance for the period: The aeronautics account, the aircraft search and rescue account, the Alaskan Way viaduct replacement project account, the brownfield redevelopment trust fund account, the budget stabilization account, the capital vessel replacement account, the capitol building construction account, the Cedar River channel construction and operation account, the Central Washington University capital projects account, the charitable, educational, penal and reformatory institutions account, the Chehalis basin account, the cleanup settlement account, the Columbia river basin water supply development account, the Columbia river basin taxable bond water supply development account, the Columbia river basin water supply revenue recovery account, the common school construction fund, the community forest trust account, the connecting Washington account, the county arterial preservation account, the county criminal justice assistance account, the deferred compensation administrative account, the deferred compensation principal account, the department of licensing services account, the department of retirement systems expense account, the developmental disabilities community trust account, the diesel idle reduction account, the drinking water assistance account, the drinking water assistance administrative account, the early learning facilities development account, the early learning facilities revolving account, the Eastern Washington University capital projects account, the Interstate 405 express toll lanes operations account, the education construction fund, the education legacy trust account, the election account, the electric vehicle charging infrastructure account, the energy freedom account, the energy recovery act account, the essential rail assistance account, The Evergreen State College capital projects account, the federal forest revolving account, the ferry bond retirement fund, the freight mobility investment account, the freight mobility multimodal account, the grade crossing protective fund, the public health services account, the high capacity transportation account, the state higher education construction account, the higher education construction account, the highway bond retirement fund, the highway infrastructure account, the highway safety fund, the high occupancy

toll lanes operations account, the hospital safety net assessment fund, the industrial insurance premium refund account, the judges' retirement account, the judicial retirement administrative account, the judicial retirement principal account, the local leasehold excise tax account, the local real estate excise tax account, the local sales and use tax account, the marine resources stewardship trust account, the medical aid account, the mobile home park relocation fund, the money-purchase retirement savings administrative account, the money-purchase retirement savings principal account, the motor vehicle fund, the motorcycle safety education account, the multimodal transportation account, the multiuse roadway safety account, the municipal criminal justice assistance account, the natural resources deposit account, the oyster reserve land account, the pension funding stabilization account, the perpetual surveillance and maintenance account, the pollution liability insurance agency underground storage tank revolving account, the public employees' retirement system plan 1 account, the public employees' retirement system combined plan 2 and plan 3 account, the public facilities construction loan revolving account beginning July 1, 2004, the public health supplemental account, the public works assistance account, the Puget Sound capital construction account, the Puget Sound ferry operations account, the Puget Sound taxpayer accountability account, the real estate appraiser commission account, the recreational vehicle account, the regional mobility grant program account, the resource management cost account, the rural arterial trust account, the rural mobility grant program account, the rural Washington loan fund, the sexual assault prevention and response account, the site closure account, the skilled nursing facility safety net trust fund, the small city pavement and sidewalk account, the special category C account, the special wildlife account, the state employees' insurance account, the state employees' insurance reserve account, the state investment board expense account, the state investment board commingled trust fund accounts, the state patrol highway account, the state route number 520 civil penalties account, the state route number 520 corridor account, the state wildlife account, the statewide tourism marketing account, the supplemental pension account, the Tacoma Narrows toll bridge account, the teachers' retirement system plan 1 account, the teachers' retirement system combined plan 2 and plan 3 account, the tobacco prevention and control account, the tobacco settlement account, the toll facility bond retirement account, the transportation 2003 account (nickel account), the transportation equipment fund, the transportation future funding program account, the transportation improvement account, the transportation improvement board bond retirement account, the transportation infrastructure account, the transportation partnership account, the traumatic brain injury account, the tuition recovery trust fund, the University of Washington bond retirement fund, the University of Washington building account, the volunteer firefighters' and reserve officers' relief and pension principal fund, the volunteer firefighters' and reserve officers' administrative fund, the Washington judicial retirement system account, the Washington law enforcement officers' and firefighters' system plan 1 retirement account, the Washington law enforcement officers' and firefighters' system plan 2 retirement account, the Washington public safety employees' plan 2 retirement account, the Washington school employees' retirement system combined plan 2 and 3 account, the Washington state health insurance pool account, the Washington state patrol retirement

account, the Washington State University building account, the Washington State University bond retirement fund, the water pollution control revolving administration account, the water pollution control revolving fund, the Western Washington University capital projects account, the Yakima integrated plan implementation account, the Yakima integrated plan implementation revenue recovery account, and the Yakima integrated plan implementation taxable bond account. Earnings derived from investing balances of the agricultural permanent fund, the normal school permanent fund, the permanent common school fund, the scientific permanent fund, the state university permanent fund, and the state reclamation revolving account shall be allocated to their respective beneficiary accounts.

(b) Any state agency that has independent authority over accounts or funds not statutorily required to be held in the state treasury that deposits funds into a fund or account in the state treasury pursuant to an agreement with the office of the state treasurer shall receive its proportionate share of earnings based upon each account's or fund's average daily balance for the period.

(5) In conformance with Article II, section 37 of the state Constitution, no treasury accounts or funds shall be allocated earnings without the specific affirmative directive of this section.

NEW SECTION. Sec. 11. The joint legislative audit and review committee must conduct an evaluation of the performance of the authority created in chapter 43.--- RCW (the new chapter created in section 12 of this act) and report its findings and recommendations, in compliance with RCW 43.01.036, to the governor and the economic development committees of the senate and house of representatives by December 1, 2023. The purpose of the evaluation is to determine the extent to which the authority has contributed to the growth of the tourism industry and economic development of the state. An interim report by the authority, submitted in compliance with RCW 43.01.036, is due to the governor and economic development committees of the house of representatives and senate by December 1, 2021. The report must provide an update on the authority's progress in implementing a statewide tourism marketing program.

NEW SECTION. Sec. 12. Sections 1 through 8 of this act constitute a new chapter in Title 43 RCW.

Passed by the Senate March 5, 2018.

Passed by the House March 2, 2018.

Approved by the Governor March 27, 2018.

Filed in Office of Secretary of State March 29, 2018.

CHAPTER 276

[Senate Bill 5987]

PRETRIAL RELEASE

AN ACT Relating to pretrial release programs to protect the public from harm; amending RCW 10.21.015, 10.21.017, 10.21.030, and 10.21.050; adding a new section to chapter 10.21 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 bail and other pretrial release programs seek to alleviate the harsh consequences of pretrial detention.

While the primary function of bail is to ensure an accused's appearance in court, courts are allowed to pursue other compelling interests through regulation of pretrial release. The legislature further finds that public safety is one such compelling interest and additional measures need to be taken to identify restrictions necessary to protect the public from harm through appropriate sanctions and compliance with court ordered restrictions. The legislature further intends to require an individualized determination by a judicial officer of conditions of release for persons in custody. This requirement is consistent with constitutional requirements and court rules regarding the right of a detained person to a prompt determination of probable cause and judicial review of the conditions of release.

Sec. 2. RCW 10.21.015 and 2015 2nd sp.s. c 3 s 20 are each amended to read as follows:

(1) Under this chapter, "pretrial release program" is any program in superior, district, or municipal court, either run directly by a county or city, or by a private or public entity through contract with a county or city, into whose custody an offender is released prior to trial and which agrees to supervise the offender. As used in this section, "supervision" includes, but is not limited to, work release, day monitoring, electronic monitoring, or participation in a 24/7 sobriety program.

(2) A pretrial release program may not agree to supervise, or accept into its custody, an offender who is currently awaiting trial for a violent offense or sex offense, as defined in RCW 9.94A.030, who has been convicted of one or more violent offenses or sex offenses in the ten years before the date of the current offense, unless the offender's release before trial was secured with a payment of bail.

Sec. 3. RCW 10.21.017 and 2015 c 287 s 6 are each amended to read as follows:

Under this chapter where a person charged with a felony offense is ordered to enter a program of home detention, "home detention" means any program meeting the definition of home detention in RCW 9.94A.030, and complying with the requirements of RCW 9.94A.736.

Sec. 4. RCW 10.21.030 and 2015 c 287 s 5 are each amended to read as follows:

(1) The judicial officer in any felony, misdemeanor, or gross misdemeanor case may at any time amend the order to impose additional or different conditions of release. The conditions imposed under this chapter supplement but do not supplant provisions of law allowing the imposition of conditions to assure the appearance of the defendant at trial or to prevent interference with the administration of justice.

(2) Appropriate conditions of release under this chapter include, but are not limited to, the following:

(a) The defendant may be placed in the custody of a pretrial release program;

(b) The defendant may have restrictions placed upon travel, association, or place of abode during the period of release;

(c) The defendant may be required to comply with a specified curfew;

(d) The defendant may be required to return to custody during specified hours or to be placed on electronic monitoring, as defined in RCW 9.94A.030, if available. The defendant, if convicted, may not have the period of incarceration reduced by the number of days spent on electronic monitoring;

(e) The defendant may be required to comply with a program of home detention~~((--as))~~. For a felony offense, home detention is defined in RCW 9.94A.030;

(f) The defendant may be prohibited from approaching or communicating in any manner with particular persons or classes of persons;

(g) The defendant may be prohibited from going to certain geographical areas or premises;

(h) The defendant may be prohibited from possessing any dangerous weapons or firearms;

(i) The defendant may be prohibited from possessing or consuming any intoxicating liquors or drugs not prescribed to the defendant. The defendant may be required to submit to testing to determine the defendant's compliance with this condition;

(j) The defendant may be prohibited from operating a motor vehicle that is not equipped with an ignition interlock device;

(k) The defendant may be required to report regularly to and remain under the supervision of an officer of the court or other person or agency; and

(l) The defendant may be prohibited from committing any violations of criminal law.

Sec. 5. RCW 10.21.050 and 2010 c 254 s 7 are each amended to read as follows:

The judicial officer in any felony, misdemeanor, or gross misdemeanor case must, in determining whether there are conditions of release that will reasonably assure the safety of any other person and the community, take into account the available information concerning:

(1) The nature and circumstances of the offense charged, including whether the offense is a crime of violence;

(2) The weight of the evidence against the defendant; and

(3) The history and characteristics of the defendant, including:

(a) The person's character, physical and mental condition, family ties, employment, financial resources, length of residence in the community, community ties, past conduct, history relating to drug or alcohol abuse, criminal history, and record concerning appearance at court proceedings;

(b) Whether, at the time of the current offense or arrest, the defendant was on community supervision, probation, parole, or on other release pending trial, sentencing, appeal, or completion of sentence for an offense under federal, state, or local law; and

(c) The nature and seriousness of the danger to any person or the community that would be posed by the defendant's release.

NEW SECTION. **Sec. 6.** A new section is added to chapter 10.21 RCW to read as follows:

A judicial officer in a municipal, district, or superior court imposing conditions of pretrial release for a defendant accused of a misdemeanor, gross misdemeanor, or felony offense, may prohibit the defendant from possessing or

consuming any intoxicating liquors or drugs not prescribed to the defendant, and require the defendant to submit to testing to determine the defendant's compliance with this condition, when the judicial officer determines that such condition is necessary to protect the public from harm.

Passed by the Senate March 8, 2018.

Passed by the House March 7, 2018.

Approved by the Governor March 27, 2018.

Filed in Office of Secretary of State March 29, 2018.

CHAPTER 277

[Substitute Senate Bill 6175]

UNIFORM COMMON INTEREST OWNERSHIP ACT

AN ACT Relating to the Washington uniform common interest ownership act; amending RCW 6.13.080; adding a new section to chapter 59.18 RCW; adding a new section to chapter 64.32 RCW; adding a new section to chapter 64.34 RCW; adding a new section to chapter 64.38 RCW; adding a new chapter to Title 64 RCW; and providing an effective date.

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

I. DEFINITIONS, APPLICABILITY, AND OTHER GENERAL PROVISIONS

NEW SECTION. Sec. 101. **SHORT TITLE.** This chapter may be known and cited as the Washington uniform common interest ownership act.

NEW SECTION. Sec. 102. **DEFINITIONS.** The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Affiliate of a declarant" means any person who controls, is controlled by, or is under common control with a declarant. For purposes of this subsection:

(a) A person controls a declarant if the person:

(i) Is a general partner, managing member, officer, director, or employer of the declarant;

(ii) Directly or indirectly or acting in concert with one or more other persons, or through one or more subsidiaries, owns, controls, holds with power to vote, or holds proxies representing more than twenty percent of the voting interest in the declarant;

(iii) Controls in any manner the election or appointment of a majority of the directors, managing members, or general partners of the declarant; or

(iv) Has contributed more than twenty percent of the capital of the declarant.

(b) A person is controlled by a declarant if the declarant:

(i) Is a general partner, managing member, officer, director, or employer of the person;

(ii) Directly or indirectly or acting in concert with one or more other persons, or through one or more subsidiaries, owns, controls, holds with power to vote, or holds proxies representing more than twenty percent of the voting interest in the person;

(iii) Controls in any manner the election or appointment of a majority of the directors, managing members, or general partners of the person; or

(iv) Has contributed more than twenty percent of the capital of the person.

(c) Control does not exist if the powers described in this subsection (1) are held solely as security for an obligation and are not exercised.

(2) "Allocated interests" means the following interests allocated to each unit:

(a) In a condominium, the undivided interest in the common elements, the common expense liability, and votes in the association;

(b) In a cooperative, the common expense liability, the ownership interest, and votes in the association; and

(c) In a plat community and miscellaneous community, the common expense liability and the votes in the association, and also the undivided interest in the common elements if owned in common by the unit owners rather than an association.

(3) "Assessment" means all sums chargeable by the association against a unit, including any assessments levied pursuant to section 317 of this act, fines or fees levied or imposed by the association pursuant to this chapter or the governing documents, interest and late charges on any delinquent account, and all costs of collection incurred by the association in connection with the collection of a delinquent owner's account, including reasonable attorneys' fees.

(4) "Association" or "unit owners association" means the unit owners association organized under section 301 of this act and, to the extent necessary to construe sections of this chapter made applicable to common interest communities pursuant to section 117, 119, or 120 of this act, the association organized or created to administer such common interest communities.

(5) "Ballot" means a record designed to cast or register a vote or consent in a form provided or accepted by the association.

(6) "Board" means the body, regardless of name, designated in the declaration, map, or organizational documents, with primary authority to manage the affairs of the association.

(7) "Common elements" means:

(a) In a condominium or cooperative, all portions of the common interest community other than the units;

(b) In a plat community or miscellaneous community, any real estate other than a unit within a plat community or miscellaneous community that is owned or leased either by the association or in common by the unit owners rather than an association; and

(c) In all common interest communities, any other interests in real estate for the benefit of any unit owners that are subject to the declaration.

(8) "Common expense" means any expense of the association, including allocations to reserves, allocated to all of the unit owners in accordance with common expense liability.

(9) "Common expense liability" means the liability for common expenses allocated to each unit pursuant to section 208 of this act.

(10) "Common interest community" means real estate described in a declaration with respect to which a person, by virtue of the person's ownership of a unit, is obligated to pay for a share of real estate taxes, insurance premiums, maintenance, or improvement of, or services or other expenses related to, common elements, other units, or other real estate described in the declaration. "Common interest community" does not include an arrangement described in section 123 or 124 of this act. A common interest community may be a part of another common interest community.

(11) "Condominium" means a common interest community in which portions of the real estate are designated for separate ownership and the remainder of the real estate is designated for common ownership solely by the owners of those portions. A common interest community is not a condominium unless the undivided interests in the common elements are vested in the unit owners.

(12) "Condominium notice" means the notice given to tenants pursuant to subsection (13)(c) of this section.

(13)(a) "Conversion building" means a building:

(i) That at any time before creation of the common interest community was lawfully occupied wholly or partially by a tenant or subtenant for residential purposes pursuant to a rental agreement, oral or written, express or implied, who did not receive a condominium notice prior to entering into the rental agreement or lawfully taking occupancy, whichever event occurred first; or

(ii) That at any time within the twelve months preceding the first acceptance of an agreement with the declarant to convey, or the first conveyance of, any unit in the building, whichever event occurred first, to any person who was not a declarant or dealer, or affiliate of a declarant or dealer, was lawfully occupied wholly or partially by a tenant or subtenant for residential purposes pursuant to a rental agreement, oral or written, express or implied, who did not receive a condominium notice prior to entering into the rental agreement or lawfully taking occupancy, whichever event occurred first.

(b) A building in a common interest community is a conversion building only if:

(i) The building contains more than two attached dwelling units as defined in RCW 64.55.010(1); and

(ii) Acceptance of an agreement to convey, or conveyance of, any unit in the building to any person who was not a declarant or dealer, or affiliate of a declarant or dealer, did not occur prior to the effective date of this section.

(c) The notice referred to in (a)(i) and (ii) of this subsection must be in writing and must state: "The unit you will be occupying is, or may become, part of a common interest community and subject to sale."

(14) "Convey" or "conveyance" means, with respect to a unit, any transfer of ownership of the unit, including a transfer by deed or by real estate contract and, with respect to a unit in a leasehold common interest community or a proprietary lease in a cooperative, a transfer by lease or assignment of the unit, but does not include the creation, transfer, or release of a security interest.

(15) "Cooperative" means a common interest community in which the real estate is owned by an association, each member of which is entitled by virtue of the member's ownership interest in the association and by a proprietary lease to exclusive possession of a unit.

(16) "Dealer" means a person who, together with such person's affiliates, owns or has a right to acquire either six or more units in a common interest community or fifty percent or more of the units in a common interest community containing more than two units.

(17) "Declarant" means:

(a) Any person who executes as declarant a declaration;

(b) Any person who reserves any special declarant right in a declaration;

(c) Any person who exercises special declarant rights or to whom special declarant rights are transferred of record. The holding or exercise of rights to maintain sales offices, signs advertising the common interest community, and models, and related right of access, does not confer the status of being a declarant; or

(d) Any person who is the owner of a fee interest in the real estate that is subjected to the declaration at the time of the recording of an instrument pursuant to section 306 of this act and who directly or through one or more affiliates is materially involved in the construction, marketing, or sale of units in the common interest community created by the recording of the instrument.

(18) "Declarant control" means the right of the declarant or persons designated by the declarant to appoint or remove any officer or board member of the association or to veto or approve a proposed action of any board or association, pursuant to section 304(1)(a) of this act.

(19) "Declaration" means the instrument, however denominated, that creates a common interest community, including any amendments to the instrument.

(20) "Development rights" means any right or combination of rights reserved by a declarant in the declaration to:

- (a) Add real estate or improvements to a common interest community;
- (b) Create units, common elements, or limited common elements within a common interest community;
- (c) Subdivide or combine units or convert units into common elements;
- (d) Withdraw real estate from a common interest community; or
- (e) Reallocate limited common elements with respect to units that have not been conveyed by the declarant.

(21) "Effective age" means the difference between the useful life and remaining useful life.

(22) "Electronic transmission" or "electronically transmitted" means any electronic communication (a) not directly involving the physical transfer of a record in a tangible medium and (b) that may be retained, retrieved, and reviewed by the sender and the recipient of the communication, and that may be directly reproduced in a tangible medium by a sender and recipient.

(23) "Eligible mortgagee" means the holder of a security interest on a unit that has filed with the secretary of the association a written request that it be given copies of notices of any action by the association that requires the consent of mortgagees.

(24) "Foreclosure" means a statutory forfeiture or a judicial or nonjudicial foreclosure of a security interest or a deed or other conveyance in lieu of a security interest.

(25) "Full funding plan" means a reserve funding goal of achieving one hundred percent fully funded reserves by the end of the thirty-year study period described under section 331 of this act, in which the reserve account balance equals the sum of the estimated costs required to maintain, repair, or replace the deteriorated portions of all reserve components.

(26) "Fully funded balance" means the current value of the deteriorated portion, not the total replacement value, of all the reserve components. The fully funded balance for each reserve component is calculated by multiplying the current replacement cost of that reserve component by its effective age, then dividing the result by that reserve component's useful life. The sum total of all

reserve components' fully funded balances is the association's fully funded balance.

(27) "Governing documents" means the organizational documents, map, declaration, rules, or other written instrument by which the association has the authority to exercise any of the powers provided for in this chapter or to manage, maintain, or otherwise affect the property under its jurisdiction.

(28) "Identifying number" means a symbol or address that identifies only one unit or limited common element in a common interest community.

(29) "Leasehold common interest community" means a common interest community in which all or a portion of the real estate is subject to a lease the expiration or termination of which will terminate the common interest community or reduce its size.

(30) "Limited common element" means a portion of the common elements allocated by the declaration or by operation of section 203 (1)(b) or (2) of this act for the exclusive use of one or more, but fewer than all, of the unit owners.

(31) "Map" means: (a) With respect to a plat community, the plat as defined in RCW 58.17.020 and complying with the requirements of Title 58 RCW, and (b) with respect to a condominium, cooperative, or miscellaneous community, a map prepared in accordance with the requirements of section 210 of this act.

(32) "Master association" means an organization described in section 221 of this act, whether or not it is also an association described in section 301 of this act.

(33) "Miscellaneous community" means a common interest community in which units are lawfully created in a manner not inconsistent with chapter 58.17 RCW and that is not a condominium, cooperative, or plat community.

(34) "Nominal reserve costs" means that the current estimated total replacement costs of the reserve components are less than fifty percent of the annual budgeted expenses of the association, excluding contributions to the reserve fund, for a condominium or cooperative containing horizontal unit boundaries, and less than seventy-five percent of the annual budgeted expenses of the association, excluding contributions to the reserve fund, for all other common interest communities.

(35) "Organizational documents" means the instruments filed with the secretary of state to create an entity and the instruments governing the internal affairs of the entity including, but not limited to, any articles of incorporation, certificate of formation, bylaws, and limited liability company or partnership agreement.

(36) "Person" means an individual, corporation, business trust, estate, the trustee or beneficiary of a trust that is not a business trust, partnership, limited liability company, association, joint venture, public corporation, government, or governmental subdivision, agency, or instrumentality, or any other legal entity.

(37) "Plat community" means a common interest community in which units have been created by subdivision or short subdivision as both are defined in RCW 58.17.020 and in which the boundaries of units are established pursuant to chapter 58.17 RCW.

(38) "Proprietary lease" means a written and recordable lease that is executed and acknowledged by the association as lessor and that otherwise complies with requirements applicable to a residential lease of more than one year and pursuant to which a member is entitled to exclusive possession of a unit

in a cooperative. A proprietary lease governed under this chapter is not subject to chapter 59.18 RCW except as provided in the declaration.

(39) "Purchaser" means a person, other than a declarant or a dealer, which by means of a voluntary transfer acquires a legal or equitable interest in a unit other than as security for an obligation.

(40) "Qualified financial institution" means a bank, savings association, or credit union whose deposits are insured by the federal government.

(41) "Real estate" means any leasehold or other estate or interest in, over, or under land, including structures, fixtures, and other improvements and interests that by custom, usage, or law pass with a conveyance of land though not described in the contract of sale or instrument of conveyance. "Real estate" includes parcels with or without upper or lower boundaries and spaces that may be filled with air or water.

(42) "Real estate contract" has the same meaning as defined in RCW 61.30.010.

(43) "Record," when used as a noun, means information inscribed on a tangible medium or contained in an electronic transmission.

(44) "Remaining useful life" means the estimated time, in years, before a reserve component will require major maintenance, repair, or replacement to perform its intended function.

(45) "Replacement cost" means the estimated total cost to maintain, repair, or replace a reserve component to its original functional condition.

(46) "Reserve component" means a physical component of the common interest community which the association is obligated to maintain, repair, or replace, which has an estimated useful life of less than thirty years, and for which the cost of such maintenance, repair, or replacement is infrequent, significant, and impractical to include in an annual budget.

(47) "Reserve study professional" means an independent person who is suitably qualified by knowledge, skill, experience, training, or education to prepare a reserve study in accordance with sections 330 and 331 of this act. For the purposes of this subsection, "independent" means a person who is not an employee, officer, or director, and has no pecuniary interest in the declarant, association, or any other party for whom the reserve study is prepared.

(48) "Residential purposes" means use for dwelling or recreational purposes, or both.

(49) "Rule" means a policy, guideline, restriction, procedure, or regulation of an association, however denominated, that is not set forth in the declaration or organizational documents and governs the conduct of persons or the use or appearance of property.

(50) "Security interest" means an interest in real estate or personal property, created by contract or conveyance that secures payment or performance of an obligation. "Security interest" includes a lien created by a mortgage, deed of trust, real estate contract, lease intended as security, assignment of lease or rents intended as security, pledge of an ownership interest in an association, and any other consensual lien or title retention contract intended as security for an obligation.

(51) "Special declarant rights" means rights reserved for the benefit of a declarant to:

(a) Complete any improvements indicated on the map or described in the declaration or the public offering statement pursuant to section 403(1)(h) of this act;

(b) Exercise any development right;

(c) Maintain sales offices, management offices, signs advertising the common interest community, and models;

(d) Use easements through the common elements for the purpose of making improvements within the common interest community or within real estate that may be added to the common interest community;

(e) Make the common interest community subject to a master association;

(f) Merge or consolidate a common interest community with another common interest community of the same form of ownership;

(g) Appoint or remove any officer or board member of the association or any master association or to veto or approve a proposed action of any board or association, pursuant to section 304(1) of this act;

(h) Control any construction, design review, or aesthetic standards committee or process;

(i) Attend meetings of the unit owners and, except during an executive session, the board;

(j) Have access to the records of the association to the same extent as a unit owner.

(52) "Specially allocated expense" means any expense of the association, including allocations to reserves, allocated to some or all of the unit owners pursuant to section 317 (4) through (8) of this act.

(53) "Survey" has the same meaning as defined in RCW 58.09.020.

(54) "Tangible medium" means a writing, copy of a writing, facsimile, or a physical reproduction, each on paper or on other tangible material.

(55) "Timeshare" has the same meaning as defined in RCW 64.36.010.

(56) "Transition meeting" means the meeting held pursuant to section 304(4) of this act.

(57)(a) "Unit" means a physical portion of the common interest community designated for separate ownership or occupancy, the boundaries of which are described pursuant to section 206(1)(d) of this act.

(b) If a unit in a cooperative is owned by a unit owner or is sold, conveyed, voluntarily or involuntarily encumbered, or otherwise transferred by a unit owner, the interest in that unit that is owned, sold, conveyed, encumbered, or otherwise transferred is the right to possession of that unit under a proprietary lease, coupled with the allocated interests of that unit, and the association's interest in that unit is not affected.

(c) Except as provided in the declaration, a mobile home or manufactured home for which title has been eliminated pursuant to chapter 65.20 RCW is part of the unit described in the title elimination documents.

(58)(a) "Unit owner" means (i) a declarant or other person that owns a unit or (ii) a lessee of a unit in a leasehold common interest community whose lease expires simultaneously with any lease the expiration or termination of which will remove the unit from the common interest community, but does not include a person having an interest in a unit solely as security for an obligation.

(b) "Unit owner" also means the vendee, not the vendor, of a unit under a recorded real estate contract.

(c) In a condominium, plat community, or miscellaneous community, the declarant is the unit owner of any unit created by the declaration. In a cooperative, the declarant is treated as the unit owner of any unit to which allocated interests have been allocated until that unit has been conveyed to another person.

(59) "Useful life" means the estimated time during which a reserve component is expected to perform its intended function without major maintenance, repair, or replacement.

(60) "Writing" does not include an electronic transmission.

(61) "Written" means embodied in a tangible medium.

NEW SECTION. Sec. 103. NO VARIATION BY AGREEMENT. Except as expressly provided in this chapter, the effect of the provisions of this chapter may not be varied by agreement, and rights conferred by this chapter may not be waived. Except as provided otherwise in section 123 of this act, a declarant may not act under a power of attorney, or use any other device, to evade the limitations or prohibitions of this chapter or the declaration.

NEW SECTION. Sec. 104. SEPARATE TITLES AND TAXATION. (1) In a cooperative, unless the declaration provides that a unit owner's interest in a unit and its allocated interests is real estate for all purposes, that interest is personal property.

(2) In a condominium, plat community, or miscellaneous community, if there is any unit owner other than a declarant:

(a) Each unit that has been created, together with its interest in the common elements, constitutes for all purposes a separate parcel of real estate; and

(b) Each unit together with its interest in the common elements must be separately taxed and assessed.

(3) If a development right has an ascertainable market value, the development right constitutes a separate parcel of real estate for property tax purposes and must be separately taxed and assessed to the declarant, and the declarant alone is liable for payment of those taxes.

(4) If there is no unit owner other than a declarant, the real estate comprising the common interest community may be taxed and assessed in any manner provided by law.

NEW SECTION. Sec. 105. APPLICABILITY OF LOCAL ORDINANCES, REGULATIONS, AND BUILDING CODES. (1) A building, fire, health, or safety statute, ordinance, or regulation may not impose any requirement upon any structure in a common interest community that it would not impose upon a physically identical development under a different form of ownership.

(2) A zoning, subdivision, or other land use statute, ordinance, or regulation may not prohibit the condominium or cooperative form of ownership or impose any requirement upon a condominium or cooperative that it would not impose upon a physically identical development under a different form of ownership.

(3) Chapter 58.17 RCW does not apply to the creation of a condominium or a cooperative. This chapter must not be construed to permit the creation of a condominium or cooperative on a lot, tract, or parcel of land that could not be sold or transferred without violating chapter 58.17 RCW.

(4) Except as provided in subsections (1), (2), and (3) of this section, this chapter does not invalidate or modify any provision of any building, zoning, subdivision, or other statute, ordinance, rule, or regulation governing the use of real estate.

(5) This section does not prohibit a county legislative authority from requiring the review and approval of declarations and amendments to declarations and of termination agreements executed pursuant to section 219(2) of this act by the county assessor solely for the purpose of allocating the assessed value and property taxes. The review by the assessor must be done in a reasonable and timely manner.

NEW SECTION. Sec. 106. EMINENT DOMAIN. (1) If a unit is acquired by condemnation or part of a unit is acquired by condemnation leaving the unit owner with a remnant that may not practically or lawfully be used for any purpose permitted by the declaration, the award must include compensation to the unit owner for that unit and its allocated interests, whether or not any common elements are acquired. Upon acquisition, unless the decree otherwise provides, that unit's allocated interests are automatically reallocated to the remaining units in proportion to the respective allocated interests of those units before the taking, and the association must promptly prepare, execute, and record an amendment to the declaration reflecting the reallocations. Any remnant of a unit remaining after part of a unit is taken under this subsection is thereafter a common element.

(2) Except as provided in subsection (1) of this section, if part of a unit is acquired by condemnation, the award must compensate the unit owner for the reduction in value of the unit and its interest in the common elements, whether or not any common elements are acquired. Upon acquisition, unless the decree provides otherwise:

(a) That unit's allocated interests are reduced in proportion to the reduction in the size of the unit, or on any other basis specified in the declaration; and

(b) The portion of the allocated interests divested from the partially acquired unit are automatically reallocated to that unit and to the remaining units in proportion to the respective allocated interests of those units before the taking, with the partially acquired unit participating in the reallocation on the basis of its reduced allocated interests.

(3)(a) If part of the common elements is acquired by condemnation, the portion of the award attributable to the common elements taken must be paid to the association. A court may award damages to a unit owner or owners for particular damage to the owner's units arising from condemnation.

(b) Unless the declaration or the decree provides otherwise, any portion of the award attributable to the acquisition of a limited common element must be equally divided among the owners of the units to which that limited common element was allocated at the time of acquisition.

(4) The decree must be recorded in every county in which any portion of the common interest community is located.

NEW SECTION. Sec. 107. SUPPLEMENTAL GENERAL PRINCIPLES OF LAW APPLICABLE. The principles of law and equity, including the law of corporations and any other form of organization authorized by the law of this state and unincorporated associations, the law of real estate, and the law relative

to the capacity to contract, principal and agent, eminent domain, estoppel, fraud, misrepresentation, duress, coercion, mistake, receivership, substantial performance, or other validating or invalidating cause supplement this chapter, except to the extent inconsistent with this chapter.

NEW SECTION. Sec. 108. CONSTRUCTION AGAINST IMPLICIT REPEAL. This chapter is intended as a unified coverage of its subject matter and no part of it must be construed to be impliedly repealed by subsequent legislation if that construction can reasonably be avoided.

NEW SECTION. Sec. 109. UNIFORMITY OF APPLICATION AND CONSTRUCTION. This chapter must be applied and construed to effectuate its general purpose to make uniform the law with respect to the subject of this chapter among states enacting it.

NEW SECTION. Sec. 110. SEVERABILITY. 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. 111. UNCONSCIONABLE AGREEMENT OR TERM OF CONTRACT. (1) The court, upon finding as a matter of law that a contract or contract clause was unconscionable at the time the contract was made, may refuse to enforce the contract, enforce the remainder of the contract without the unconscionable clause, or limit the application of any unconscionable clause to avoid an unconscionable result.

(2) Whenever it is claimed, or appears to the court, that a contract or any contract clause is or may be unconscionable, the parties, to aid the court in making the determination, must be afforded a reasonable opportunity to present evidence as to:

- (a) The commercial setting of the negotiations;
- (b) Whether a party has knowingly taken advantage of the inability of the other party reasonably to protect his or her interests by reason of physical or mental infirmity, illiteracy, inability to understand the language of the agreement, or similar factors;
- (c) The effect and purpose of the contract or clause; and
- (d) If a sale, any gross disparity at the time of contracting between the amount charged for the property and the value of that property measured by the price at which similar property was readily obtainable in similar transactions. A disparity between the contract price and the value of the property measured by the price at which similar property was readily obtainable in similar transactions does not, of itself, render the contract unconscionable.

NEW SECTION. Sec. 112. OBLIGATION OF GOOD FAITH. Every contract or duty governed under this chapter imposes an obligation of good faith in its performance or enforcement.

NEW SECTION. Sec. 113. REMEDIES TO BE LIBERALLY ADMINISTERED. The remedies provided under this chapter must be liberally administered to the end that the aggrieved party is put in as good a position as if the other party had fully performed. However, consequential, special, or punitive damages may not be awarded except as specifically provided in this chapter or by other rule of law.

NEW SECTION. Sec. 114. ADJUSTMENT OF DOLLAR AMOUNTS.

(1) From time to time the dollar amount specified in sections 116 and 409(2) of this act must change, as provided in subsections (2) and (3) of this section, according to and to the extent of changes in the consumer price index for urban wage earners and clerical workers: U.S. city average, all items 1967 = 100, compiled by the bureau of labor statistics, United States department of labor, (the "index"). The index for December 1979, which was 230, is the reference base index.

(2) The dollar amounts specified in sections 116 and 409(2) of this act and any amount stated in the declaration pursuant to sections 116 and 409(2) of this act must change on July 1st of each year if the percentage of change, calculated to the nearest whole percentage point, between the index at the end of the preceding year and the reference base index, is ten percent or more, but: (a) The portion of the percentage change in the index in excess of a multiple of ten percent must be disregarded and the dollar amount may only change in multiples of ten percent of the amount appearing in this chapter on the effective date of this section; (b) the dollar amount must not change if the amount required under this section is that currently in effect pursuant to this chapter as a result of earlier application of this section; and (c) the dollar amount must not be reduced below the amount appearing in this chapter on the effective date of this section.

(3) If the index is revised after December 1979, the percentage of change pursuant to this section must be calculated on the basis of the revised index. If the revision of the index changes the reference base index, a revised reference base index must be determined by multiplying the reference base index then applicable by the rebasing factor furnished by the bureau of labor statistics. If the index is superseded, the index referred to in this section is the one represented by the bureau of labor statistics as reflecting most accurately the changes in the purchasing power of the dollar for consumers.

NEW SECTION. Sec. 115. RELATION TO ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT. This chapter modifies, limits, and supersedes the federal electronic signatures in global and national commerce act, 15 U.S.C. Sec. 7001 et seq., but does not modify, limit, or supersede 15 U.S.C. Sec. 7001(c) or authorize electronic delivery of any of the notices described in 15 U.S.C. Sec. 7003(b).

NEW SECTION. Sec. 116. APPLICABILITY TO NEW COMMON INTEREST COMMUNITIES. (1) Except as provided otherwise in this section, this chapter applies to all common interest communities created within this state after the effective date of this section. Chapters 59.18, 64.32, 64.34, and 64.38 RCW do not apply to common interest communities created after the effective date of this section.

(2) Unless the declaration provides that this entire chapter is applicable, a plat community or miscellaneous community that is not subject to any development right is subject only to sections 104, 105, and 106 of this act, if the community: (a) Contains no more than twelve units; and (b) provides in its declaration that the annual average assessment of all units restricted to residential purposes, exclusive of optional user fees and any insurance premiums paid by the association, may not exceed three hundred dollars, as adjusted pursuant to section 114 of this act.

(3) The exemption provided in subsection (2) of this section applies only if:

(a) The declarant reasonably believes in good faith that the maximum stated assessment will be sufficient to pay the expenses of the association for the community; and

(b) The declaration provides that the assessment may not be increased above the limitation in subsection (2) of this section prior to the transition meeting without the consent of unit owners, other than the declarant, holding ninety percent of the votes in the association.

NEW SECTION. Sec. 117. APPLICABILITY TO PREEXISTING COMMON INTEREST COMMUNITIES. (1) Except for a nonresidential common interest community described in section 121 of this act, sections 120 and 326 of this act apply, and any inconsistent provisions of chapter 59.18, 64.32, 64.34, or 64.38 RCW do not apply, to a common interest community created in this state before the effective date of this section.

(2) Except to the extent provided in this subsection, the sections listed in subsection (1) of this section apply only to events and circumstances occurring after the effective date of this section and do not invalidate existing provisions of the governing documents of those common interest communities. To protect the public interest, sections 120 and 326 of this act supersede existing provisions of the governing documents of all plat communities and miscellaneous communities previously subject to chapter 64.38 RCW.

NEW SECTION. Sec. 118. APPLICABILITY OF AMENDMENTS TO NEW COMMON INTEREST COMMUNITIES. Amendments to this chapter apply to all common interest communities except those that (1) were created prior to the effective date of this section and (2) have not subsequently amended their governing documents to provide that this chapter will apply to the common interest community pursuant to section 120 of this act.

NEW SECTION. Sec. 119. APPLICABILITY OF PRIOR CONDOMINIUM STATUTES. Chapter 64.32 RCW does not apply to condominiums created after July 1, 1990, and chapter 64.34 RCW does not apply to condominiums created after the effective date of this section.

NEW SECTION. Sec. 120. ELECTION OF PREEXISTING COMMON INTEREST COMMUNITIES TO BE GOVERNED BY THIS CHAPTER. (1) The declaration of any common interest community created before the effective date of this section may be amended to provide that this chapter will apply to the common interest community, regardless of what applicable law provided before this act was adopted.

(2) Except as provided otherwise in subsection (3) of this section or in section 218 (9), (10), or (11) of this act, an amendment to the governing documents authorized under this section must be adopted in conformity with any procedures and requirements for amending the instruments specified by those instruments and in conformity with the amendment procedures of this chapter. If the governing documents do not contain provisions authorizing amendment, the amendment procedures of this chapter apply. If an amendment grants to a person a right, power, or privilege permitted under this chapter, any correlative obligation, liability, or restriction in this chapter also applies to the person.

(3) Notwithstanding any provision in the governing documents of a common interest community that govern the procedures and requirements for

amending the governing documents, an amendment under subsection (1) of this section may be made as follows:

(a) The board shall propose such amendment to the owners if the board deems it appropriate or if owners holding twenty percent or more of the votes in the association request such an amendment in writing to the board;

(b) Upon satisfaction of the foregoing requirements, the board shall prepare a proposed amendment and shall provide the owners with a notice in a record containing the proposed amendment and at least thirty days' advance notice of a meeting to discuss the proposed amendment;

(c) Following such meeting, the board shall provide the owners with a notice in a record containing the proposed amendment and a ballot to approve or reject the amendment;

(d) The amendment shall be deemed approved if owners holding at least thirty percent of the votes in the association participate in the voting process, and at least sixty-seven percent of the votes cast by participating owners are in favor of the proposed amendment.

NEW SECTION. Sec. 121. APPLICABILITY TO NONRESIDENTIAL AND MIXED-USE COMMON INTEREST COMMUNITIES. (1) A plat community, miscellaneous community, or cooperative in which all the units are restricted exclusively to nonresidential use is not subject to this chapter except to the extent the declaration provides that:

(a) This entire chapter applies to the community;

(b) Sections 101 through 226 of this act apply to the community; or

(c) Only sections 104, 105, and 106 of this act apply to the community.

(2) A condominium in which all the units are restricted exclusively to nonresidential use is subject to this chapter, but the declaration may provide that only sections 101 through 226 of this act apply to the community.

(3) If this entire chapter applies to a common interest community in which all the units are restricted exclusively to nonresidential use, the declaration may also require, subject to section 111 of this act, that:

(a) Any management, maintenance, operations, or employment contract, lease of recreational or parking areas or facilities, and any other contract or lease between the association and a declarant or an affiliate of a declarant continues in force after the declarant turns over control of the association; and

(b) Purchasers of units must execute proxies, powers of attorney, or similar devices in favor of the declarant regarding particular matters enumerated in those instruments.

(4) A common interest community that contains both units restricted to nonresidential purposes and units that may be used for residential purposes is not subject to this chapter unless the units that may be used for residential purposes would comprise a common interest community subject to this chapter in the absence of such nonresidential units or the declaration provides that this chapter applies as provided in subsection (2) or (3) of this section.

NEW SECTION. Sec. 122. APPLICABILITY TO OUT-OF-STATE COMMON INTEREST COMMUNITIES. This chapter does not apply to a common interest community located outside this state.

NEW SECTION. Sec. 123. OTHER EXEMPT REAL ESTATE ARRANGEMENTS. (1) An arrangement between the associations for two or

more common interest communities to share the costs of real estate taxes, insurance premiums, services, maintenance or improvements of real estate, or other activities specified in their arrangement or declarations does not create a separate common interest community.

(2) An arrangement between an association for a common interest community and the owner of real estate that is not part of a common interest community to share the costs of real estate taxes, insurance premiums, services, maintenance or improvements of real estate, or other activities specified in their arrangement does not create a separate common interest community. However, costs payable by the common interest community as a result of the arrangement must be included in the periodic budget for the common interest community, and the arrangement must be disclosed in all public offering statements and resale certificates required under this chapter.

(3) Except for a cooperative, a lease in which the tenant is obligated to share the costs of real estate taxes, insurance premiums, services, maintenance or improvements of real estate, or other activities specified in an arrangement does not create a separate common interest community.

NEW SECTION. Sec. 124. OTHER EXEMPT COVENANTS. An easement or covenant that requires the owners of separately owned parcels of real estate to share costs or other obligations associated with a party wall, driveway, well, or other similar use does not create a common interest community.

II. CREATION, ALTERATION, AND TERMINATION OF COMMON INTEREST COMMUNITIES

NEW SECTION. Sec. 201. CREATION OF COMMON INTEREST COMMUNITIES. (1)(a) A common interest community may be created under this chapter only by (i) recording a declaration executed in the same manner as a deed, and (ii) recording a map pursuant to section 210(3) of this act, and (iii) with respect to a cooperative, conveying the real estate subject to that declaration to the association.

(b) The declaration and map must be recorded in every county in which any portion of the common interest community is located. The name of a condominium must not be identical to the name of any other existing condominium or plat community, whether created under this chapter or chapter 64.32 or 64.34 RCW, in any county in which the condominium is located.

(2) A declaration or an amendment to a declaration adding units to a common interest community other than a plat community may not be recorded unless a certification required under section 210(6) (a) or (b) of this act regarding the map is also recorded.

(3)(a) Except as provided otherwise in the declaration or map, if, in a common interest community other than a condominium or cooperative, real estate described as a common element in the declaration or map is not conveyed to the association or expressly dedicated in the declaration or map to the unit owners as tenants in common, that real estate is deemed to be conveyed to the association at the time the first unit is conveyed, subject to the authority and jurisdiction of the association and subject to development rights, if any, reserved in the declaration.

(b) Except as provided otherwise in the declaration or map, in the event of the dissolution of an association, any real estate owned by the association vests in the unit owners as tenants in common with each unit owner's interest being determined in accordance with the provisions of section 219 of this act regarding a termination of the common interest community.

NEW SECTION. Sec. 202. RESERVATION OF NAME. Upon the filing of a written request with the county office in which the declaration is to be recorded, using a form of written request as may be required by the county office and paying a fee as the county office may establish not in excess of fifty dollars, a person may reserve the exclusive right to use a particular name for a condominium to be created in that county. The reserved name must not be identical to any other condominium or plat community located in that county. The name reservation expires unless within three hundred sixty-five days from the date on which the name reservation is filed the person reserving that name either records a declaration using the reserved name or files a new name reservation request.

NEW SECTION. Sec. 203. UNIT BOUNDARIES. (1) Except as provided by the declaration or, in the case of a plat community or miscellaneous community, by the map:

(a) If walls, floors, or ceilings are designated as boundaries of a unit, all lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring, and any other materials constituting any part of the finished surfaces thereof are a part of the unit, and all other portions of the walls, floors, or ceilings are a part of the common elements.

(b) If any chute, flue, duct, wire, conduit, bearing wall, bearing column, or any other fixture lies partially within and partially outside the designated boundaries of a unit, any portion thereof serving only that unit is a limited common element allocated solely to that unit, and any portion thereof serving more than one unit or any portion of the common elements is a part of the common elements.

(2) Subject to subsection (1)(b) of this section, all spaces, interior partitions, and other fixtures and improvements within the boundaries of a unit are a part of the unit.

(3) Any fireplaces, shutters, awnings, window boxes, doorsteps, stoops, porches, balconies, decks, patios, and all exterior doors and windows or other fixtures designed to serve a single unit, but located outside the unit's boundaries, are limited common elements allocated exclusively to that unit.

NEW SECTION. Sec. 204. CONSTRUCTION AND VALIDITY OF GOVERNING DOCUMENTS. (1) All provisions of the governing documents are severable. If any provision of a governing document, or its application to any person or circumstances, is held invalid, the remainder of the governing document or application to other persons or circumstances is not affected.

(2) The rule against perpetuities may not be applied to defeat any provision of the governing documents adopted pursuant to section 302(1)(a) of this act.

(3) If a conflict exists between the declaration and the organizational documents, the declaration prevails except to the extent the declaration is inconsistent with this chapter.

(4)(a) The creation of a common interest community must not be impaired and title to a unit and any common elements must not be rendered unmarketable or otherwise affected by reason of an insignificant failure of the governing documents, or any amendment to the governing documents, to comply with this chapter.

(b) This chapter does not determine whether a significant failure impairs marketability. Any unit owner, record owner of a security interest in any portion of the common interest community, or the association has standing to obtain a court order compelling the recordation of a declaration or map or adoption of organizational documents, or any appropriate amendment thereto, or to any other governing document, necessary to comply with the requirements of this chapter and to effectuate the reasonably ascertainable intent of the parties, including the intent to create a common interest community in compliance with this chapter. The failure to (i) include in the declaration or any amendment to the declaration cross-references by recording number to the map or any amendment to the map, or (ii) include in the map or any amendment to the map cross-references by recording number to the declaration or any amendment to the declaration is deemed an insignificant failure to comply with this chapter.

NEW SECTION. Sec. 205. DESCRIPTION OF UNITS. (1) In a condominium or a cooperative, a description of a unit that sets forth the name of the common interest community, the recording data for the declaration, the county and state in which the common interest community is located, and the identifying number of the unit is a legally sufficient description of that unit and all rights, obligations, and interests appurtenant to that unit that were created by the governing documents.

(2) In a plat community or miscellaneous community, a description of a unit that sets forth the name of the common interest community, the recording data for the map, the county and state in which the common interest community is located, and the identifying number of the unit is a legally sufficient description of that unit and all rights, obligations, and interests appurtenant to that unit.

NEW SECTION. Sec. 206. CONTENTS OF DECLARATION. (1) The declaration must contain:

(a) The names of the common interest community and the association and, immediately following the initial recital of the name of the community, a statement that the common interest community is a condominium, cooperative, plat community, or miscellaneous community;

(b) A legal description of the real estate included in the common interest community;

(c) A statement of the number of units that the declarant has created and, if the declarant has reserved the right to create additional units, the maximum number of such additional units;

(d) In all common interest communities, a reference to the recorded map creating the units and common elements, if any, subject to the declaration, and in a common interest community other than a plat community, the identifying number of each unit created by the declaration, a description of the boundaries of each unit if and to the extent they are different from the boundaries stated in section 203(1)(a) of this act, and with respect to each existing unit, and if known at the time the declaration is recorded, the (i) approximate square footage, (ii)

number of whole or partial bathrooms, (iii) number of rooms designated primarily as bedrooms, and (iv) level or levels on which each unit is located. The data described in this subsection (1)(d)(ii) and (iii) may be omitted with respect to units restricted to nonresidential use;

(e) A description of any limited common elements, other than those specified in section 203 (1)(b) and (2) of this act;

(f) A description of any real estate that may be allocated subsequently by the declarant as limited common elements, other than limited common elements specified in section 203 (1)(b) and (2) of this act, together with a statement that they may be so allocated;

(g) A description of any development right and any other special declarant rights reserved by the declarant, and, if the boundaries of the real estate subject to those rights are fixed in the declaration pursuant to (h)(i) of this subsection, a description of the real property affected by those rights, and a time limit within which each of those rights must be exercised;

(h) If any development right may be exercised with respect to different parcels of real estate at different times, a statement to that effect together with:

(i) Either a statement fixing the boundaries of those portions and regulating the order in which those portions may be subjected to the exercise of each development right or a statement that no assurances are made in those regards; and

(ii) A statement as to whether, if any development right is exercised in any portion of the real estate subject to that development right, that development right must be exercised in all or in any other portion of the remainder of that real estate;

(i) Any other conditions or limitations under which the rights described in (g) of this subsection may be exercised or will lapse;

(j) An allocation to each unit of the allocated interests in the manner described in section 208 of this act;

(k) Any restrictions on alienation of the units, including any restrictions on leasing that exceed the restrictions on leasing units that boards may impose pursuant to section 323(9)(c) of this act and on the amount for which a unit may be sold or on the amount that may be received by a unit owner on sale, condemnation, or casualty loss to the unit or to the common interest community, or on termination of the common interest community;

(l) A cross-reference by recording number to the map for the units created by the declaration;

(m) Any authorization pursuant to which the association may establish and enforce construction and design criteria and aesthetic standards as provided in section 322 of this act;

(n) All matters required under sections 207, 208, 209, 216, 217, and 303 of this act.

(2) All amendments to the declaration must contain a cross-reference by recording number to the declaration and to any prior amendments to the declaration. All amendments to the declaration adding units must contain a cross-reference by recording number to the map relating to the added units and set forth all information required under subsection (1) of this section with respect to the added units.

(3) The declaration may contain any other matters the declarant considers appropriate, including any restrictions on the uses of a unit or the number or other qualifications of persons who may occupy units.

NEW SECTION. Sec. 207. LEASEHOLD COMMON INTEREST COMMUNITIES. (1) Any lease the expiration or termination of which may terminate the common interest community or reduce its size, or a memorandum of the lease, must be recorded. Every lessor of these leases in a condominium, plat community, or miscellaneous community must sign the declaration. The declaration must state:

(a) The recording number of the lease or a statement of where the complete lease may be inspected;

(b) The date on which the lease is scheduled to expire;

(c) A legal description of the real estate subject to the lease;

(d) Any right of the unit owners to redeem the reversion and the manner in which those rights may be exercised, or a statement that they do not have those rights;

(e) Any right of the unit owners to remove any improvements within a reasonable or stated time after the expiration or termination of the lease, or a statement that they do not have those rights; and

(f) Any rights of the unit owners to renew the lease and the conditions of any renewal, or a statement that they do not have those rights.

(2) The declaration may provide for the collection by the association of the proportionate rents paid on the lease by the unit owners and may designate the association as the representative of the unit owners on all matters relating to the lease.

(3) After the declaration for a condominium, miscellaneous community, or plat community is recorded, neither the lessor nor the lessor's successor in interest may terminate the leasehold interest of a unit owner who makes timely payment of a unit owner's share of the rent and otherwise complies with all covenants that, if violated, would entitle the lessor to terminate the lease. A unit owner's leasehold interest in a condominium, miscellaneous community, or plat community is not affected by failure of any other person to pay rent or fulfill any other covenant.

(4) Acquisition of the leasehold interest of any unit owner by the owner of the reversion or remainder does not merge the leasehold and fee simple interests unless the leasehold interests of all unit owners subject to that reversion or remainder are acquired and the owner of the reversion or remainder records a document confirming the merger.

(5) If the expiration or termination of a lease decreases the number of units in a common interest community, the allocated interests must be reallocated in accordance with section 106(1) of this act as though those units had been taken by condemnation. Reallocations must be confirmed by an amendment to the declaration and map prepared, executed, and recorded by the association.

NEW SECTION. Sec. 208. ALLOCATION OF ALLOCATED INTERESTS. (1) The declaration must allocate to each unit:

(a) In a condominium, a fraction or percentage of undivided interests in the common elements and in the common expenses of the association and a portion of the votes in the association;

(b) In a cooperative, an ownership interest in the association, a fraction or percentage of the common expenses of the association, and a portion of the votes in the association; and

(c) In a plat community and miscellaneous community, a fraction or percentage of the common expenses of the association and a portion of the votes in the association.

(2) The declaration must state the formulas used to establish allocations of interests. Those allocations may not discriminate in favor of units owned by the declarant or an affiliate of the declarant.

(3) If units may be added to or withdrawn from the common interest community, the declaration must state the formulas to be used to reallocate the allocated interests among all units included in the common interest community after the addition or withdrawal.

(4)(a) The declaration may provide:

(i) That different allocations of votes are made to the units on particular matters specified in the declaration;

(ii) For cumulative voting only for the purpose of electing board members; and

(iii) For class voting on specified issues affecting the class if necessary to protect valid interests of the class.

(b) A declarant may not utilize cumulative or class voting for the purpose of evading any limitation imposed on declarants under this chapter, and units do not constitute a class because they are owned by a declarant.

(5) Except for minor variations due to rounding, the sum of the common expense liabilities and, in a condominium, the sum of the undivided interests in the common elements allocated at any time to all the units must each equal one if stated as a fraction or one hundred percent if stated as a percentage. In the event of discrepancy between an allocated interest and the result derived from application of the pertinent formula, the allocated interest prevails.

(6)(a) In a condominium, the common elements are not subject to partition, and any purported conveyance, encumbrance, judicial sale, or other voluntary or involuntary transfer of an undivided interest in the common elements made without the unit to which that interest is allocated is void.

(b) In a cooperative, any purported conveyance, encumbrance, judicial sale, or other voluntary or involuntary transfer of an ownership interest in the association made without the possessory interest in the unit to which that interest is related is void.

NEW SECTION. Sec. 209. LIMITED COMMON ELEMENTS. (1)(a) Except for the limited common elements described in section 203 (1)(b) and (3) of this act, the declaration must specify to which unit or units each limited common element is allocated.

(b) An allocation of a limited common element may not be altered without the consent of the owners of the units from which and to which the limited common element is allocated.

(2)(a) Except in the case of a reallocation being made by a declarant pursuant to a development right reserved in the declaration, a limited common element may be reallocated between units only with the approval of the board and by an amendment to the declaration executed by the unit owners between or among whose units the reallocation is made.

(b) The board must approve the request of the unit owner or owners under this subsection (2) within thirty days, or within such other period provided by the declaration, unless the proposed reallocation does not comply with this chapter or the declaration. The failure of the board to act upon a request within such period is deemed an approval of the request.

(c) The amendment must be executed and recorded by the association and be recorded in the name of the common interest community.

(3) Unless provided otherwise in the declaration, the unit owners of units to which at least sixty-seven percent of the votes are allocated, including the unit owner of the unit to which the common element or limited common element will be assigned or incorporated, must agree to reallocate a common element as a limited common element or to incorporate a common element or a limited common element into an existing unit. Such reallocation or incorporation must be reflected in an amendment to the declaration and the map.

NEW SECTION. Sec. 210. MAPS. (1) A map is required for all common interest communities. For purposes of this chapter, a map must be construed as part of the declaration.

(2) With the exception of subsections (1), (3), (4), and (14) of this section, this section does not apply to a plat as defined in RCW 58.17.020.

(3) The map for a common interest community must be executed by the declarant and recorded concurrently with, and contain cross-references by recording number to, the declaration.

(4) An amendment to a map for a common interest community must be executed by the same party or parties authorized or required to execute an amendment to the declaration, contain cross-references by recording number to the declaration and any amendments to the declaration, and be recorded concurrently with an amendment to the declaration. With respect to a plat community, (a) any amendment to the map must be prepared and recorded in compliance with the requirements, processes, and procedures in chapter 58.17 RCW and of the local subdivision ordinances of the city, town, or county in which the plat community is located, and (b) any amendment to the declaration must conform to the map as so approved and recorded.

(5) A map for a cooperative may be prepared by a licensed land surveyor, and may be incorporated into the declaration to satisfy subsection (3) of this section and section 206(1)(d) of this act. If the map for a cooperative is not prepared by a licensed land surveyor, the map need not contain the certification required in subsection (6)(a) of this section.

(6) The map for a common interest community must be clear and legible and must contain:

(a) If the map is a survey, a certification by a licensed land surveyor in substantially the following form:

SURVEYOR CERTIFICATE: This map correctly represents a survey made by me or under my direction in conformance with the requirements of the Survey Recording Act at the request of (name of party requesting the survey) on (date). I hereby certify that this map for (name of common interest community) is based upon an actual survey of the property herein described; that the bearings and distances are correctly shown; that all information required by the Washington Uniform Common Interest Ownership Act is supplied herein;

and that all horizontal and vertical boundaries of the units, (1) to the extent determined by the walls, floors, or ceilings thereof, or other physical monuments, are substantially completed in accordance with said map, or (2) to the extent such boundaries are not defined by physical monuments, such boundaries are shown on the map. (Surveyor's name, signature, license or certificate number, and acknowledgment)

(b) If the map is not a survey, a certification in substantially the following form:

DECLARANT CERTIFICATE: I hereby certify on behalf of (declarant) that this map for (name of common interest community) was made by me or under my direction in conformance with the requirements of RCW (this section); that all information required by the Washington Uniform Common Interest Ownership Act is supplied herein; and that all horizontal and vertical boundaries of the units, (1) to the extent determined by the walls, floors, or ceilings thereof, or other physical monuments, are substantially completed in accordance with said map, or (2) to the extent such boundaries are not defined by physical monuments, such boundaries are shown on the map. (Declarant's name, signature, and acknowledgment)

(c) A declaration by the declarant in substantially the following form:

DECLARANT DECLARATION: The undersigned owner or owners of the interest in the real estate described herein hereby declare this map and dedicate the same for a common interest community named (name of common interest community), a (type of community), as that term is defined in the Washington Uniform Common Interest Ownership Act, solely to meet the requirements of the Washington Uniform Common Interest Ownership Act and not for any public purpose. This map and any portion thereof is restricted by law and the Declaration for (name of common interest community), recorded under (name of county in which the common interest community is located) County Recording No. (recording number). (Declarant's name, signature, and acknowledgment)

(7) Each map filed for a common interest community, and any amendments to the map, must be in the style, size, form, and quality as prescribed by the recording authority of the county where filed, and a copy must be delivered to the county assessor.

(8) Each map prepared for a common interest community in compliance with this chapter, and any amendments to the map, must show or state:

(a) The name of the common interest community and, immediately following the name of the community, a statement that the common interest community is a condominium, cooperative, or miscellaneous community as defined in this chapter. A local jurisdiction may also require that the name of a plat community on the survey, plat, or map be followed by a statement that the common interest community is a plat community as defined in this chapter;

(b) A legal description of the land in the common interest community;

(c) As to a condominium, a survey of the land in the condominium, and as to a cooperative, a survey or a drawing of the land included in the entire cooperative that complies with the other requirements of this section;

(d) If the boundaries of land subject to the development right to withdraw are fixed in the declaration or an amendment to the declaration pursuant to section 206(1)(h)(i) of this act, and subject to the provisions of the declaration, an amendment to the map if not contained in the initial recorded map, the legal description and boundaries of that land, labeled "MAY BE WITHDRAWN FROM THE [COMMON INTEREST COMMUNITY];

(e) If the boundaries of land subject to the development right to add units that will result in the reallocation of allocated interests is fixed in the declaration or an amendment to the declaration pursuant to section 206(1)(h)(i) of this act, and subject to the provisions of the declaration, the legal description and boundaries of that land, labeled "SUBJECT TO DEVELOPMENT RIGHTS TO ADD UNITS THAT WILL RESULT IN A REALLOCATION OF ALLOCATED INTERESTS";

(f) The location and dimensions of all existing buildings containing or comprising units;

(g) The extent of any encroachments by or upon any portion of the common interest community;

(h) To the extent feasible, the location and dimensions of all recorded easements serving or burdening any portion of the common interest community and any unrecorded easements of which a surveyor or declarant knows or reasonably should have known;

(i) The location and dimensions of vertical unit boundaries;

(j) The location with reference to an established datum of horizontal unit boundaries. With respect to a cooperative, miscellaneous community, or condominium for which the horizontal boundaries are not defined by physical monuments, reference to an established datum is not required if the location of the horizontal boundaries of a unit is otherwise reasonably described or depicted;

(k) The legal description and the location and dimensions of any real estate in which the unit owners will own only an estate for years, labeled as "LEASEHOLD REAL ESTATE";

(l) The distance between any noncontiguous parcels of real estate comprising the common interest community;

(m) The general location of any existing principal common amenities listed in a public offering statement under section 403(1)(k) of this act;

(n) The general location of porches, decks, balconies, patios, storage facilities, moorage spaces, or parking spaces that are allocated as limited common elements, and any applicable identifying number or designation; and

(o) As to any survey, all other matters customarily shown on land surveys.

(9) The map for a common interest community may also show the anticipated approximate location and dimensions of any contemplated improvement to be constructed anywhere within the common interest community, and any contemplated improvement shown must be labeled either "MUST BE BUILT" or "NEED NOT BE BUILT."

(10) The map for a common interest community must identify any unit in which the declarant has reserved the right to create additional units or common elements under section 211(3) of this act.

(11) Unless the declaration provides otherwise, any horizontal boundary of part of a unit located outside a building has the same elevation as the horizontal boundary of the inside part and need not be depicted on the map.

(12) Upon exercising any development right, the declarant must record either new maps necessary to conform to the requirements of subsections (3), (4), (6), and (8) of this section, or new certifications of any map previously recorded if that map otherwise conforms to the requirements of subsections (3), (4), (6), and (8) of this section.

(13) Any survey and the surveyor certifications required under this section must be made by a licensed surveyor.

(14) As to a plat community, the information required under subsections (6) (a) and (c), (8) (d) through (g), (k), (m), and (n), (9), and (10) of this section is required, but may be shown on a map incorporated in or attached to the declaration, and need not be shown on the plat community map. Any such map is deemed a map for purposes of applying the provisions of this section, and the declarant must provide the certification required under subsection (6)(b) of this section.

(15) In showing or projecting the location and dimensions of the vertical boundaries of a unit located in a building, it is not necessary to show the thickness of the walls constituting the vertical boundaries or otherwise show the distance of those vertical boundaries either from the exterior surface of the building containing that unit or from adjacent vertical boundaries of other units if: (a) The walls are designated to be the vertical boundaries of that unit; (b) the unit is located within a building, the location and dimensions of the building having been shown on the map under subsection (8)(f) of this section; and (c) the graphic general location of the vertical boundaries are shown in relation to the exterior surfaces of that building and to the vertical boundaries of other units within that building.

NEW SECTION. Sec. 211. EXERCISE OF DEVELOPMENT RIGHTS.

(1) To exercise any development right reserved under section 206(1)(h) of this act, the declarant must prepare, execute, and record any amendments to the declaration and map in accordance with the requirements of sections 210 and 218(3) of this act. The declarant is the unit owner of any units created. The amendment to the declaration must assign an identifying number to each new unit created and, except in the case of subdivision, combination, or conversion of units described in subsection (3) of this section, reallocate the allocated interests among all units. The amendment must describe any common elements and any limited common elements created and, in the case of limited common elements, designate the unit to which each is allocated to the extent required under section 209 of this act. The amendments are effective upon recording.

(2) Development rights may be reserved within any real estate added to the common interest community if the amendment to the declaration adding that real estate includes all matters required under sections 206 and 207 of this act and the amendment to the map includes all matters required under section 210 of this act. This subsection does not extend the time limit on the exercise of development rights imposed by the declaration pursuant to section 206(1)(h) of this act.

(3) When a declarant exercises a development right to subdivide, combine, or convert a unit previously created into additional units or common elements, or both:

(a) If the declarant converts the unit entirely into common elements, the amendment to the declaration must reallocate all the allocated interests of that

unit among the other units as if that unit had been taken by condemnation under section 106 of this act; or

(b) If the declarant subdivides the unit into two or more units, whether or not any part of the unit is converted into common elements, the amendment to the declaration must reallocate all the allocated interests of the unit among the units created by the subdivision in any reasonable manner prescribed by the declarant.

(4) If the declaration provides, pursuant to section 206(1)(h) of this act, that all or a portion of the real estate is subject to a right of withdrawal:

(a) If all the real estate is subject to withdrawal, and the declaration or map or amendment to the declaration or map does not describe separate portions of real estate subject to that right, none of the real estate may be withdrawn if a unit in that real estate has been conveyed to a purchaser; or

(b) If any portion of the real estate is subject to withdrawal as described in the declaration or map or amendment to the declaration or map, none of that portion of the real estate may be withdrawn if a unit in that portion has been conveyed to a purchaser.

(5) If the declarant combines two or more units into a lesser number of units, whether or not any part of a unit is converted into common elements or common elements are converted units, the amendment to the declaration must reallocate all of the allocated interests of the units being combined into the unit or units created by the combination in any reasonable manner prescribed by the declarant.

(6) A unit conveyed to a purchaser may not be withdrawn pursuant to subsection (4)(a) or (b) of this section without the consent of the unit owner of that unit and the holder of a security interest in the unit.

NEW SECTION. Sec. 212. ALTERATIONS OF COMMON ELEMENTS AND UNITS. Subject to the provisions of the governing documents and other provisions of law, a unit owner:

(1) May make any improvements or alterations to the unit owner's unit that do not impair the structural integrity or mechanical or electrical systems or lessen the support of any portion of the common interest community;

(2) May not change the appearance of the common elements without approval of the board;

(3) After acquiring an adjoining unit or an adjoining part of an adjoining unit, with approval of the board, may remove or alter any intervening partition or create apertures in the unit or adjoining unit, even if the partition in whole or in part is a common element. The removal of partitions or creation of apertures under this subsection is not an alteration of boundaries. The board must approve a unit owner's request, which must include the plans and specifications for the proposed removal or alteration, under this subsection (3) after receipt of all required information unless the proposed alteration does not comply with this section or the governing documents; and

(4) May eliminate the title to a mobile home or manufactured home within the unit as permitted under chapter 65.20 RCW without the consent or joinder by the association, any other unit owner, or any party having a security interest in any other unit or the common elements.

NEW SECTION. Sec. 213. RELOCATION OF UNIT BOUNDARIES. (1) Subject to the provisions of the declaration, section 212 of this act, and other provisions of law, the boundaries between adjoining units may be relocated upon application to the board by the unit owners of those units and upon approval by the board pursuant to this section. The application must include plans showing the relocated boundaries and such other information as the board may require. If the unit owners of the adjoining units have specified a reallocation between their units of their allocated interests, the application must state the proposed reallocations. Unless the board determines, after receipt of all required information, that the reallocations are unreasonable or that the proposed boundary relocation does not comply with the declaration, section 212 of this act, or other provisions of law, the board must approve the application and prepare any amendments to the declaration and map in accordance with the requirements of subsection (3) of this section.

(2)(a) Subject to the provisions of the declaration and other provisions of law, boundaries between units and common elements may be relocated to incorporate common elements within a unit by an amendment to the declaration upon application to the association by the unit owner of the unit who proposes to relocate a boundary. The amendment may be approved only if the unit owner of the unit, the boundary of which is being relocated, and, unless the declaration provides otherwise, persons entitled to cast at least sixty-seven percent of the votes in the association, including sixty-seven percent of the votes allocated to units not owned by the declarant, agree.

(b) The association may require payment to the association of a one-time fee or charge or continuing fees or charges payable by the unit owners of the units whose boundaries are being relocated to include common elements.

(3)(a) The association must prepare any amendment to the declaration in accordance with the requirements of section 206 of this act and any amendment to the map in accordance with the requirements of section 210 of this act necessary to show or describe the altered boundaries of affected units and their dimensions and identifying numbers.

(b) The amendment to the declaration must be executed by the unit owner of the unit, the boundaries of which are being relocated, and by the association, contain words of conveyance between them, and be recorded in the names of the unit owner or owners and the association, as grantor or grantee, as appropriate and as required under section 218(3) of this act. The amendments are effective upon recording.

(4) All costs, including reasonable attorneys' fees, incurred by the association for preparing and recording amendments to the declaration and map under this section must be assessed to the unit, the boundaries of which are being relocated.

NEW SECTION. Sec. 214. SUBDIVISION AND COMBINATION OF UNITS. (1) Unless prohibited in the declaration, subject to the provisions of the declaration, section 212 of this act, and other provisions of law, a unit may be subdivided into two or more units upon application to the association by the unit owner of the unit and upon approval by the board pursuant to this section. The application must include plans showing the relocated boundaries, a reallocation of all the allocated interests of the units among the units created by the subdivision, and such other information as the board may require. Unless the

board determines, after receipt of all required information, that the reallocations are unreasonable or that the proposed boundary relocation does not comply with the declaration, sections 209 and 212 of this act, or other provisions of law, the board must approve the application and prepare any amendments to the declaration and map in accordance with the requirements of subsection (4) of this section.

(2) Unless prohibited in the declaration, subject to the provisions of the declaration, section 212 of this act, and other provisions of law, two or more units may be combined into a lesser number of units upon application to the association by the owners of those units and upon approval by the board pursuant to this section. The application must include plans showing the relocated boundaries, a reallocation of all the allocated interests of the units being combined among the units resulting from the combination, and such other information as the board may require. Unless the board determines, after receipt of all required information, that the reallocations are unreasonable or that the proposed boundary relocation does not comply with the declaration, sections 209 and 212 of this act, or other provisions of law, the board shall approve the application and prepare any amendments to the declaration and map in accordance with the requirements of subsection (4) of this section.

(3) The association may require payment to the association of a one-time fee or charge or continuing fees or charges payable by the owners of the units whose boundaries are being relocated to include common elements.

(4) The association must prepare, execute, and record any amendments to the declaration and, in a condominium, cooperative, or miscellaneous community, the map, prepared in accordance with the requirements of sections 210 and 218(3) of this act, subdividing or combining those units. The amendment to the declaration must be executed by the association and unit owner or owners of the units from which the subdivided or combined unit or units are derived, assign an identifying number to each resulting unit, and reallocate the allocated interests formerly allocated to the unit from which a combination was derived to the new unit or, if two or more units are derived from such combination, among the new units in any reasonable manner prescribed by such owners in the amendment or on any other basis the declaration requires. The amendments are effective upon recording.

(5) All costs, including reasonable attorneys' fees, incurred by the association for preparing and recording amendments to the declaration and map under this section must be assessed to the unit, the boundaries of which are being relocated.

(6) This section does not apply to the declarant's exercise of any development right to subdivide or combine a unit previously created.

NEW SECTION. Sec. 215. MONUMENTS AS BOUNDARIES. (1) The physical boundaries of a unit located in a building containing or comprising that unit constructed or reconstructed in substantial accordance with the map, or amendment to the map, are its boundaries rather than any boundaries shown on the map, regardless of settling or lateral movement of the unit or of any building containing or comprising the unit, or of any minor variance between boundaries of the unit or any building containing or comprising the unit shown on the map.

(2) This section does not relieve a unit owner from liability in case of the unit owner's willful misconduct or relieve a declarant or any other person from liability for failure to adhere to the map.

NEW SECTION. Sec. 216. USE FOR SALES PURPOSES. (1) A declarant may maintain sales offices, management offices, and models in units or on common elements in the common interest community only if the declaration so provides. In a cooperative or condominium, any sales office, management office, or model not designated a unit by the declaration is a common element.

(2) When a declarant no longer owns a unit or has the right to create a unit in the common interest community, the declarant ceases to have any rights under this section unless the unit is removed promptly from the common interest community in accordance with a right to remove reserved in the declaration.

(3) Subject to any limitations in the declaration, a declarant may maintain signs in or on units owned by the declarant or the common elements advertising the common interest community.

(4) This section is subject to the provisions of other state law and local ordinances.

NEW SECTION. Sec. 217. EASEMENT AND USE RIGHTS. (1) Subject to the declaration, a declarant has an easement through the common elements as may be reasonably necessary for the purpose of discharging the declarant's obligations or exercising special declarant rights, whether arising under this chapter or reserved in the declaration.

(2) Subject to sections 302(2)(f) and 314 of this act, the unit owners have an easement in the common elements for access to their units.

(3) Subject to the declaration and rules, the unit owners have a right to use the common elements that are not limited common elements for the purposes for which the common elements were intended.

NEW SECTION. Sec. 218. AMENDMENT OF DECLARATION. (1)(a) Except in cases of amendments that may be executed by: A declarant under subsection (10) of this section, sections 209(2), 210(12), 211, or 304(2)(d) of this act; the association under section 106, 207(5), 209(3), 213(1), or 214 of this act or subsection (11) of this section; or certain unit owners under section 209(2), 213(1), 214(2), or 219(2) of this act, and except as limited by subsections (4), (6), (7), (8), and (12) of this section, the declaration may be amended only by vote or agreement of unit owners of units to which at least sixty-seven percent of the votes in the association are allocated, unless the declaration specifies a different percentage not to exceed ninety percent for all amendments or for specific subjects of amendment. For purposes of this section, "amendment" means any change to the declaration, including adding, removing, or modifying restrictions contained in a declaration.

(b) If the declaration requires the approval of another person as a condition of its effectiveness, the amendment is not valid without that approval; however, any right of approval may not result in an expansion of special declarant rights reserved in the declaration or violate any other section of this chapter, including sections 103, 111, 112, and 113 of this act.

(2) In the absence of fraud, any action to challenge the validity of an amendment adopted by the association may not be brought more than one year after the amendment is recorded.

(3) Every amendment to the declaration must be recorded in every county in which any portion of the common interest community is located and is effective only upon recordation. An amendment, except an amendment pursuant to section 213(1) of this act, must be indexed in the grantee's index in the name of the common interest community and the association and in the grantor's index in the name of the parties executing the amendment.

(4) Except to the extent expressly permitted or required under this chapter, an amendment may not create or increase special declarant rights, increase the number of units, change the boundaries of any unit, or change the allocated interests of a unit without the consent of unit owners to which at least ninety percent of the votes in the association are allocated, including the consent of any unit owner of a unit, the boundaries of which or allocated interest of which is changed by the amendment.

(5) Amendments to the declaration required to be executed by the association must be executed by any authorized officer of the association who must certify in the amendment that it was properly adopted.

(6) The declaration may require a higher percentage of unit owner approval for an amendment that is intended to prohibit or materially restrict the uses of units permitted under the applicable zoning ordinances, or to protect the interests of members of a defined class of owners, or to protect other legitimate interests of the association or its members. Subject to subsection (13) of this section, a declaration may not require, as a condition for amendment, approval by more than ninety percent of the votes in the association or by all but one unit owner, whichever is less. An amendment approved under this subsection must provide reasonable protection for a use permitted at the time the amendment was adopted.

(7) The time limits specified in the declaration pursuant to section 206(1)(g) of this act within which reserved development rights must be exercised may be extended, and additional development rights may be created, if persons entitled to cast at least eighty percent of the votes in the association, including eighty percent of the votes allocated to units not owned by the declarant, agree to that action. The agreement is effective thirty days after an amendment to the declaration reflecting the terms of the agreement is recorded unless all the persons holding the affected special declarant rights, or security interests in those rights, record a written objection within the thirty-day period, in which case the amendment is void, or consent in writing at the time the amendment is recorded, in which case the amendment is effective when recorded.

(8) A provision in the declaration creating special declarant rights that have not expired may not be amended without the consent of the declarant.

(9) If any provision of this chapter or the declaration requires the consent of a holder of a security interest in a unit as a condition to the effectiveness of an amendment to the declaration, the consent is deemed granted if a refusal to consent in a record is not received by the association within sixty days after the association delivers notice of the proposed amendment to the holder at an address for notice provided by the holder or mails the notice to the holder by certified mail, return receipt requested, at that address. If the holder has not

provided an address for notice to the association, the association must provide notice to the address in the security interest of record.

(10) Upon thirty-day advance notice to unit owners, the declarant may, without a vote of the unit owners or approval by the board, unilaterally adopt, execute, and record a corrective amendment or supplement to the governing documents to correct a mathematical mistake, an inconsistency, or a scrivener's error, or clarify an ambiguity in the governing documents with respect to an objectively verifiable fact including, without limitation, recalculating the undivided interest in the common elements, the liability for common expenses, or the number of votes in the unit owners' association appertaining to a unit, within five years after the recordation or adoption of the governing document containing or creating the mistake, inconsistency, error, or ambiguity. Any such amendment or supplement may not materially reduce what the obligations of the declarant would have been if the mistake, inconsistency, error, or ambiguity had not occurred.

(11) Upon thirty-day advance notice to unit owners, the association may, upon a vote of two-thirds of the members of the board, without a vote of the unit owners, adopt, execute, and record an amendment to the declaration for the following purposes:

(a) To correct or supplement the governing documents as provided in subsection (10) of this section;

(b) To remove language and otherwise amend as necessary to effect the removal of language purporting to forbid or restrict the conveyance, encumbrance, occupancy, or lease to: Individuals of a specified race, creed, color, sex, or national origin; individuals with sensory, mental, or physical disabilities; and families with children or any other legally protected classification;

(c) To remove language and otherwise amend as necessary to effect the removal of language that purports to impose limitations on the power of the association beyond the limit authorized in section 302(1)(u) of this act to deal with the declarant that are more restrictive than the limitations imposed on the power of the association to deal with other persons; and

(d) To remove any other language and otherwise amend as necessary to effect the removal of language purporting to limit the rights of the association or its unit owners in direct conflict with this chapter.

(12) If the declaration requires that amendments to the declaration may be adopted only if the amendment is signed by a specified number or percentage of unit owners and if the common interest community contains more than twenty units, such requirement is deemed satisfied if the association obtains such signatures or the vote or agreement of unit owners holding such number or percentage.

(13)(a) If the declaration requires that amendments to the declaration may be adopted only by the vote or agreement of unit owners of units to which more than sixty-seven percent of the votes in the association are allocated, and the percentage required is otherwise consistent with this chapter, the amendment is approved if:

(i) The approval of the percentage specified in the declaration is obtained;

(ii)(A) Unit owners of units to which at least sixty-seven percent of the votes in the association are allocated vote for or agree to the proposed amendment;

(B) A unit owner does not vote against the proposed amendment; and

(C) Notice of the proposed amendment, including notice that the failure of a unit owner to object may result in the adoption of the amendment, is delivered to the unit owners holding the votes in the association that have not voted or agreed to the proposed amendment and no written objection to the proposed amendment is received by the association within sixty days after the association delivers notice; or

(iii)(A) Unit owners of units to which at least sixty-seven percent of the votes in the association are allocated vote for or agree to the proposed amendment;

(B) At least one unit owner objects to the proposed amendment; and

(C) Pursuant to an action brought by the association in the county in which the common interest community is situated against all objecting unit owners, the court finds, under the totality of circumstances including, but not limited to, the subject matter of the amendment, the purpose of the amendment, the percentage voting to approve the amendment, and the percentage objecting to the amendment, that the amendment is reasonable.

(b) If the declaration requires the affirmative vote or approval of any particular unit owner or class of unit owners as a condition of its effectiveness, the amendment is not valid without that vote or approval.

NEW SECTION. Sec. 219. TERMINATION OF COMMON INTEREST COMMUNITY. (1) Except for a taking of all the units by condemnation, foreclosure against an entire cooperative of a security interest that has priority over the declaration, or in the circumstances described in section 226 of this act, a common interest community may be terminated only by agreement of unit owners of units to which at least eighty percent of the votes in the association are allocated, or any larger percentage the declaration specifies, and with any other approvals required by the declaration. The declaration may specify a smaller percentage only if all of the units are restricted exclusively to nonresidential uses.

(2) An agreement to terminate must be evidenced by the execution of a termination agreement, or ratifications of the agreement, in the same manner as a deed, by the requisite number of unit owners. The termination agreement must specify a date after which the agreement is void unless it is recorded before that date. A termination agreement and all ratifications of the agreement must be recorded in every county in which a portion of the common interest community is situated and is effective only upon recordation. An agreement to terminate may only be amended by complying with the requirements of this subsection and subsection (1) of this section.

(3)(a) In the case of a condominium, plat community, or miscellaneous community containing only units having horizontal boundaries between units, a termination agreement may provide that all of the common elements and units of the common interest community must be sold following termination. If, pursuant to the agreement, any real estate in the common interest community is to be sold following termination, the termination agreement must set forth the minimum

purchase price, manner of payment, and outside closing date, and may include any other terms of the sale.

(b) In the case of a condominium, plat community, or miscellaneous community containing no units having horizontal boundaries between units, a termination agreement may provide for sale of the common elements that are not necessary for the habitability of a unit, but it may not require that any unit be sold following termination, unless the declaration as originally recorded provided otherwise or all the unit owners consent to the sale. If, pursuant to the agreement, any real estate in the common interest community is to be sold following termination, the termination agreement must set forth the minimum purchase price, manner of payment, and outside closing date, and may include any other terms of sale.

(c) In the case of a condominium, plat community, or miscellaneous community containing some units having horizontal boundaries between units and some units without horizontal boundaries between units, a termination agreement may provide for sale of the common elements that are not necessary for the habitability of a unit, but it may not require that any unit be sold following termination, unless the declaration as originally recorded provided otherwise or all the unit owners of units in the building to be sold consent to the sale. If, pursuant to the agreement, any real estate in the common interest community is to be sold following termination, the termination agreement must set forth the minimum purchase price, manner of payment, and outside closing date, and may include any other terms of sale.

(4)(a) The association, on behalf of the unit owners, may contract for the sale of real estate in a common interest community, but the contract is not binding on the unit owners until approved pursuant to subsections (1) and (2) of this section. If any real estate is to be sold following termination, title to that real estate, upon termination, vests in the association as trustee for the holders of all interests in the units. Thereafter, the association has all powers necessary and appropriate to effect the sale. Until the sale has been concluded and the proceeds of the sale distributed, the association continues in existence with all powers it had before termination.

(b) Proceeds of the sale must be distributed to unit owners and lienholders as their interests may appear, in accordance with subsections (6) and (8) of this section. Unless otherwise specified in the termination agreement, as long as the association holds title to the real estate, each unit owner and the unit owner's successors in interest have an exclusive right to occupancy of the portion of the real estate that formerly constituted the unit. During the period of that occupancy, each unit owner and the unit owner's successors in interest remain liable for all assessments and other obligations imposed on unit owners under this chapter or the declaration.

(5) In a condominium, plat community, or miscellaneous community, if any portion of the real estate constituting the common interest community is not to be sold following termination, title to those portions of the real estate constituting the common elements and, in a common interest community containing units having horizontal boundaries between units described in the declaration, title to all the real estate containing such boundaries in the common interest community vests in the unit owners upon termination as tenants in common in proportion to their respective interests as provided in subsection (8)

of this section, and liens on the units shift accordingly. While the tenancy in common exists, each unit owner and the unit owner's successors in interest have an exclusive right to occupancy of the portion of the real estate that formerly constituted the unit.

(6)(a) Following termination of the common interest community, the proceeds of a sale of real estate, together with the assets of the association, are held by the association as trustee for unit owners and holders of liens on the units as their interests may appear.

(b) Following termination of a condominium, plat community, or miscellaneous community, creditors of the association holding liens on the units that were recorded or perfected under RCW 4.64.020 before termination may enforce those liens in the same manner as any lienholder.

(c) All other creditors of the association are to be treated as if they had perfected liens on the units immediately before termination.

(7) In a cooperative, the declaration may provide that all creditors of the association have priority over any interests of unit owners and creditors of unit owners. In that event, following termination, creditors of the association holding liens on the cooperative that were recorded or perfected under RCW 4.64.020 before termination may enforce their liens in the same manner as any lienholder, and any other creditor of the association is to be treated as if the creditor had perfected a lien against the cooperative immediately before termination. Unless the declaration provides that all creditors of the association have that priority:

(a) The lien of each creditor of the association that was perfected against the association before termination becomes, upon termination, a lien against each unit owner's interest in the unit as of the date the lien was perfected;

(b) Any other creditor of the association must be treated, upon termination, as if the creditor had perfected a lien against each unit owner's interest immediately before termination;

(c) The amount of the lien of an association's creditor described in (a) and (b) of this subsection against each of the unit owners' interest must be proportionate to the ratio that each unit's common expense liability bears to the common expense liability of all of the units;

(d) The lien of each creditor of each unit owner that was perfected before termination continues as a lien against that unit owner's unit as of the date the lien was perfected;

(e) The assets of the association must be distributed to all unit owners and all lienholders as their interests may appear in the order described in this subsection; and

(f) Creditors of the association are not entitled to payment from any unit owner in excess of the amount of the creditor's lien against that unit owner's interest.

(8) The respective interests of unit owners referred to in subsections (4), (5), (6), and (7) of this section are as follows:

(a) Except as otherwise provided in (b) of this subsection, the respective interests of unit owners are the fair market values of their units, allocated interests, and any limited common elements immediately before the termination, as determined by one or more independent appraisers selected by the association. The decision of the independent appraisers must be distributed to the unit owners and becomes final unless disapproved within thirty days after

distribution by unit owners of units to which twenty-five percent of the votes in the association are allocated. The proportion of any unit owner's interest to that of all unit owners is determined by dividing the fair market value of that unit owner's unit and its allocated interests by the total fair market values of all the units and their allocated interests.

(b) If any unit or any limited common element is destroyed to the extent that an appraisal of the fair market value of the unit or limited common element before destruction cannot be made, the interests of all unit owners are:

(i) In a condominium, their respective common element interests immediately before the termination;

(ii) In a cooperative, their respective ownership interests immediately before the termination; and

(iii) In a plat community or miscellaneous community, their respective common expense liabilities immediately before the termination.

(9) In a condominium, plat community, or miscellaneous community, except as otherwise provided in subsection (10) of this section, foreclosure or enforcement of a lien or encumbrance against the entire common interest community does not terminate the common interest community, and foreclosure or enforcement of a lien or encumbrance against a portion of the common interest community, other than withdrawable real estate, does not withdraw that portion from the common interest community. Foreclosure or enforcement of a lien or encumbrance against withdrawable real estate, or against common elements that have been subjected to a security interest by the association under section 314 of this act, does not withdraw that real estate from the common interest community, but the person taking title to the real estate may require from the association, upon request, an amendment excluding the real estate from the common interest community.

(10) In a condominium, plat community, or miscellaneous community, if a lien or encumbrance against a portion of the real estate comprising the common interest community has priority over the declaration and the lien or encumbrance has not been partially released, the parties foreclosing the lien or encumbrance, upon foreclosure, may record an instrument excluding the real estate subject to that lien or encumbrance from the common interest community.

(11) The right of partition under chapter 7.52 RCW is suspended if an agreement to sell property is provided for in the termination agreement pursuant to subsection (3)(a), (b), or (c) of this section. The suspension of the right to partition continues unless a binding obligation to sell does not exist three months after the recording of the termination agreement, the binding sale agreement is terminated, or one year after the termination agreement is recorded, whichever occurs first.

NEW SECTION. Sec. 220. RIGHTS OF SECURED LENDERS. (1) The declaration may require that all or a specified number or percentage of the lenders who hold security interests encumbering the units or who have extended credit to the association approve specified actions of the unit owners or the association as a condition to the effectiveness of those actions, but no requirement for approval may operate to:

(a) Deny or delegate control over the general administrative affairs of the association by the unit owners or the board;

(b) Prevent the association or the board from commencing, intervening in, or settling any litigation or proceeding; or

(c) Prevent any insurance trustee or the association from receiving and distributing any insurance proceeds except pursuant to section 315 of this act.

(2) With respect to any action requiring the consent of a specified number or percentage of mortgagees, the consent of only eligible mortgagees holding a first lien security interest need be obtained and the percentage must be based upon the votes attributable to units with respect to which eligible mortgagees have an interest.

(3) A lender who has extended credit to an association secured by an assignment of income or an encumbrance on the common elements may enforce its security agreement in accordance with its terms, subject to the requirements of this chapter and other law. A requirement that the association must deposit its periodic common charges before default with the lender to which the association's income has been assigned, or increase its common charges at the lender's direction by amounts reasonably necessary to amortize the loan in accordance with its terms, does not violate the prohibitions on lender approval contained in subsection (1) of this section.

NEW SECTION. Sec. 221. MASTER ASSOCIATIONS. (1) If the declaration provides that any of the powers described in section 302 of this act are to be exercised by or may be delegated to a for-profit or nonprofit corporation or limited liability company that exercises those or other powers on behalf of one or more common interest communities or for the benefit of the unit owners of one or more common interest communities, all provisions of this chapter applicable to unit owners associations apply to any such corporation or limited liability company, except as modified by this section.

(2) Unless it is acting in the capacity of an association described in section 301 of this act, a master association may exercise the powers set forth in section 302(1)(b) of this act only to the extent expressly permitted in the declarations of common interest communities that are part of the master association or expressly described in the delegations of power from those common interest communities to the master association.

(3) If the declaration of any common interest community provides that the board may delegate certain powers to a master association, the board is not liable for the acts or omissions of the master association with respect to those powers following delegation.

(4) The rights and responsibilities of unit owners with respect to the unit owners' association set forth in sections 303, 310, 311, 312, 314, and 322 of this act apply in the conduct of the affairs of a master association only to persons who elect the board of a master association, whether or not those persons are otherwise unit owners within the meaning of this chapter.

(5) If a master association is also an association described in section 301 of this act, the organizational documents of the master association and the declaration of each common interest community, the powers of which are assigned by the declaration or delegated to the master association, may provide that the board of the master association must be elected after the period of declarant control in any of the following ways:

(a) All unit owners of all common interest communities subject to the master association may elect all members of the master association's board;

(b) All board members of all common interest communities subject to the master association may elect all members of the master association's board;

(c) All unit owners of each common interest community subject to the master association may elect specified members of the master association's board; or

(d) All board members of each common interest community subject to the master association may elect specified members of the master association's board.

NEW SECTION. Sec. 222. DELEGATION OF POWER TO SUBASSOCIATIONS. (1)(a) If the declaration provides that any of the powers described in section 302 of this act are to be exercised by or may be delegated to a for-profit corporation or limited liability company that exercises those or other powers on behalf of unit owners owning less than all of the units in a common interest community, and if those unit owners share the exclusive use of one or more limited common elements within the common interest community or share some property or other interest in the common interest community in common that is not shared by the remainder of the unit owners in the common interest community, all provisions of this chapter applicable to unit owners associations apply to any such corporation or limited liability company, except as modified under this section.

(b) The delegation of powers to a subassociation must not be used to discriminate in favor of units owned by the declarant or an affiliate of the declarant.

(2) A subassociation may exercise the powers set forth in section 302 of this act only to the extent expressly permitted by the declaration of the common interest community of which the units in the subassociation are a part of or expressly described in the delegations of power from that common interest community to the subassociation.

(3) If the declaration of any common interest community contains a delegation of certain powers to a subassociation, or provides that the board of the common interest community may make such a delegation, the board members are not liable for the acts or omissions of the subassociation with respect to those powers so exercised by the subassociation following delegation.

(4) The rights and responsibilities of unit owners with respect to the unit owners association set forth in sections 301 through 321 of this act apply to the conduct of the affairs of a subassociation.

(5) Notwithstanding section 304(4) of this act, the board of the subassociation must be elected after any period of declarant control by the unit owners of all of the units in the common interest community subject to the subassociation.

(6) The declaration of the common interest community creating the subassociation may provide that the authority of the board of the subassociation is exclusive with regard to the powers and responsibilities delegated to it. In the alternative, the declaration may provide as to some or all such powers that the authority of the board of a subassociation is concurrent with and subject to the authority of the board of the unit owners association, in which case the declaration must also contain standards and procedures for the review of the decisions of the board of the subassociation and procedures for resolving any

dispute between the board of the unit owners association and the board of the subassociation.

NEW SECTION. Sec. 223. MERGER OR CONSOLIDATION OF COMMON INTEREST COMMUNITIES. (1) Any two or more common interest communities of the same form of ownership, by agreement of the unit owners as provided in subsection (2) of this section, may be merged or consolidated into a single common interest community. In the event of a merger or consolidation, unless the agreement otherwise provides, the resultant common interest community is the legal successor, for all purposes, of all of the preexisting common interest communities, and the operations and activities of all associations of the preexisting common interest communities are merged or consolidated into a single association that holds all powers, rights, obligations, assets, and liabilities of all preexisting associations.

(2) An agreement of two or more common interest communities to merge or consolidate pursuant to subsection (1) of this section must be evidenced by an agreement prepared, executed, recorded, and certified by the president of the association of each of the preexisting common interest communities following approval by unit owners of units to which are allocated the percentage of votes in each common interest community required to terminate that common interest community. The agreement must be recorded in every county in which a portion of the common interest community is located and is not effective until recorded.

(3) Every merger or consolidation agreement, and every amendment providing for a merger or consolidation made by a declarant when exercising a special declarant right, must identify the declaration that will apply to the resultant common interest community and provide for the reallocation of allocated interests among the units of the resultant common interest community either (a) by stating the reallocations or the formulas upon which they are based or (b) by stating the percentage of overall allocated interests of the resultant common interest community that are allocated to all of the units comprising each of the preexisting common interest communities, and providing that the portion of the percentages allocated to each unit formerly comprising a part of the preexisting common interest community is equal to the percentages of allocated interests allocated to that unit by the declaration of the preexisting common interest community.

NEW SECTION. Sec. 224. ADDITION OF UNSPECIFIED REAL ESTATE. In a plat community or miscellaneous community, if the right is originally reserved in the declaration, the declarant, in addition to any other development right, may amend the declaration at any time during as many years as are specified in the declaration for adding additional real estate to the plat community or miscellaneous community without describing the location of that real estate in the original declaration. The amount of real estate added to the plat community or miscellaneous community pursuant to this section may not exceed ten percent of the real estate described in section 206(1)(b) of this act together with any real estate that is described in the declaration for addition to the plat community or miscellaneous community, and the declarant may not increase the number of units in the plat community or miscellaneous community beyond the number stated in the original declaration pursuant to section 206(1)(c) of this act.

NEW SECTION. Sec. 225. LARGE SCALE COMMUNITIES. (1) The declaration for a common interest community may state that it is a large scale community if the declarant has reserved the development right to create at least five hundred units that may be used for residential purposes and, at the time of the reservation, that declarant owns or controls more than five hundred acres on which the units may be built.

(2) If the requirements of subsection (1) of this section are satisfied, the declaration for the large scale community need not state a maximum number of units and need not contain any of the information required under section 206(1) (c) through (n) of this act until the declaration is amended under subsection (3) of this section.

(3) When each unit in a large scale community is conveyed to a purchaser, the declaration must contain:

(a) A sufficient legal description of the unit and all portions of the large scale community in which any other units have been conveyed to a purchaser; and

(b) All the information required under section 206(1) (c) through (n) of this act with respect to that real estate.

(4) The only real estate in a large scale community subject to this chapter are units that have been made subject to the declaration or that are being offered for sale and any other real estate described pursuant to subsection (3) of this section. Other real estate that is or may become part of the large scale community is only subject to other law and to any other restrictions and limitations that appear of record.

(5) If the public offering statement conspicuously identifies the fact that the community is a large scale community, the disclosure requirements contained in sections 401 through 420 of this act apply only to units that have been made subject to the declaration or are being offered for sale in connection with the public offering statement and to any other real estate described pursuant to subsection (3) of this section.

(6) Limitations in this chapter on the addition of unspecified real estate do not apply to a large scale community.

(7) The period of declarant control of the association for a large scale community terminates in accordance with any conditions specified in the declaration or otherwise at the time the declarant, in a recorded instrument and after giving notice in a record to the board of the association, voluntarily surrenders all rights to control the activities of the association.

NEW SECTION. Sec. 226. JUDICIAL TERMINATION. (1) If substantially all the units in a common interest community have been destroyed or abandoned or are uninhabitable and the available methods for giving notice under section 324 of this act of a meeting of unit owners to consider termination under section 219 of this act will not likely result in receipt of the notice, the board or any other interested person may commence an action seeking to terminate the common interest community in the superior court for any county in which a portion of the common interest community is located. If any portion of the common interest community is located in a county other than the county in which the action is commenced, the person commencing the action must record a copy of the judgment in the other county.

(2) During the pendency of the action, the court may issue whatever orders it considers appropriate, including appointment of a receiver. After a hearing, the court may terminate the common interest community or reduce its size and may issue any other order the court considers to be in the best interest of the unit owners and persons holding an interest in the common interest community.

III. MANAGEMENT OF THE COMMON INTEREST COMMUNITY

NEW SECTION. Sec. 301. ORGANIZATION OF UNIT OWNERS ASSOCIATION. (1) A unit owners association must be organized no later than the date the first unit in the common interest community is conveyed to a purchaser.

(2) The membership of the association at all times consists exclusively of all unit owners or, following termination of the common interest community, of all former unit owners entitled to distributions of proceeds under section 219 of this act or their heirs, successors, or assigns.

(3) The association must have a board and be organized as a for-profit or nonprofit corporation or limited liability company.

(4) In case of any conflict between Title 23B RCW or chapter 23.86, 24.03, 24.06, or 25.15 RCW and this chapter, this chapter controls.

NEW SECTION. Sec. 302. POWERS AND DUTIES OF UNIT OWNERS ASSOCIATION. (1) An association must:

- (a) Adopt organizational documents;
- (b) Adopt budgets as provided in section 326 of this act;
- (c) Impose assessments for common expenses and specially allocated expenses on the unit owners as provided in sections 117(1) and 326 of this act;
- (d) Prepare financial statements as provided in section 327 of this act; and
- (e) Deposit and maintain the funds of the association in accounts as provided in section 327 of this act.

(2) Except as provided otherwise in subsection (4) of this section and subject to the provisions of the declaration, the association may:

- (a) Amend organizational documents and adopt and amend rules;
- (b) Amend budgets under section 326 of this act;
- (c) Hire and discharge managing agents and other employees, agents, and independent contractors;
- (d) Institute, defend, or intervene in litigation or in arbitration, mediation, or administrative proceedings or any other legal proceeding in its own name on behalf of itself or two or more unit owners on matters affecting the common interest community;
- (e) Make contracts and incur liabilities subject to subsection (4) of this section;
- (f) Regulate the use, maintenance, repair, replacement, and modification of common elements;
- (g) Cause additional improvements to be made as a part of the common elements;
- (h) Acquire, hold, encumber, and convey in its own name any right, title, or interest to real estate or personal property, but:
 - (i) Common elements in a condominium, plat community, or miscellaneous community may be conveyed or subjected to a security interest pursuant to section 314 of this act only; and

(ii) Part of a cooperative may be conveyed, or all or part of a cooperative may be subjected to a security interest pursuant to section 314 of this act only;

(i) Grant easements, leases, licenses, and concessions through or over the common elements and petition for or consent to the vacation of streets and alleys;

(j) Impose and collect any reasonable payments, fees, or charges for:

(i) The use, rental, or operation of the common elements, other than limited common elements described in section 203 (1)(b) and (3) of this act;

(ii) Services provided to unit owners; and

(iii) Moving in, moving out, or transferring title to units to the extent provided for in the declaration;

(k) Collect assessments and impose and collect reasonable charges for late payment of assessments;

(l) Enforce the governing documents and, after notice and opportunity to be heard, impose and collect reasonable fines for violations of the governing documents in accordance with a previously established schedule of fines adopted by the board of directors and furnished to the owners;

(m) Impose and collect reasonable charges for the preparation and recordation of amendments to the declaration, resale certificates required under section 409 of this act, lender questionnaires, or statements of unpaid assessments;

(n) Provide for the indemnification of its officers and board members, to the extent provided in RCW 23B.17.030;

(o) Maintain directors' and officers' liability insurance;

(p) Subject to subsection (4) of this section, assign its right to future income, including the right to receive assessments;

(q) Join in a petition for the establishment of a parking and business improvement area, participate in the ratepayers' board or other advisory body set up by the legislative authority for operation of a parking and business improvement area, and pay special assessments levied by the legislative authority on a parking and business improvement area encompassing the condominium property for activities and projects that benefit the condominium directly or indirectly;

(r) Establish and administer a reserve account as described in section 328 of this act;

(s) Prepare a reserve study as described in section 330 of this act;

(t) Exercise any other powers conferred by the declaration or organizational documents;

(u) Exercise all other powers that may be exercised in this state by the same type of entity as the association;

(v) Exercise any other powers necessary and proper for the governance and operation of the association;

(w) Require that disputes between the association and unit owners or between two or more unit owners regarding the common interest community, other than those governed by chapter 64.50 RCW, be submitted to nonbinding alternative dispute resolution as a prerequisite to commencement of a judicial proceeding; and

(x) Suspend any right or privilege of a unit owner who fails to pay an assessment, but may not:

- (i) Deny a unit owner or other occupant access to the owner's unit;
- (ii) Suspend a unit owner's right to vote; or
- (iii) Withhold services provided to a unit or a unit owner by the association if the effect of withholding the service would be to endanger the health, safety, or property of any person.

(3) The declaration may not limit the power of the association beyond the limit authorized in subsection (2)(w) of this section to:

(a) Deal with the declarant if the limit is more restrictive than the limit imposed on the power of the association to deal with other persons; or

(b) Institute litigation or an arbitration, mediation, or administrative proceeding against any person, subject to the following:

(i) The association must comply with chapter 64.50 RCW, if applicable, before instituting any proceeding described in chapter 64.50 RCW in connection with construction defects; and

(ii) The board must promptly provide notice to the unit owners of any legal proceeding in which the association is a party other than proceedings involving enforcement of rules or to recover unpaid assessments or other sums due the association.

(4) Any borrowing by an association that is to be secured by an assignment of the association's right to receive future income pursuant to subsection (2)(e) and (p) of this section requires ratification by the unit owners as provided in this subsection.

(a) The board must provide notice of the intent to borrow to all unit owners. The notice must include the purpose and maximum amount of the loan, the estimated amount and term of any assessments required to repay the loan, a reasonably detailed projection of how the money will be expended, and the interest rate and term of the loan.

(b) In the notice, the board must set a date for a meeting of the unit owners, which must not be less than fourteen and no more than sixty days after mailing of the notice, to consider ratification of the borrowing.

(c) Unless at that meeting, whether or not a quorum is present, unit owners holding a majority of the votes in the association or any larger percentage specified in the declaration reject the proposal to borrow funds, the association may proceed to borrow the funds in substantial accordance with the terms contained in the notice.

(5) If a tenant of a unit owner violates the governing documents, in addition to exercising any of its powers against the unit owner, the association may:

(a) Exercise directly against the tenant the powers described in subsection (2)(l) of this section;

(b) After giving notice to the tenant and the unit owner and an opportunity to be heard, levy reasonable fines against the tenant and unit owner for the violation; and

(c) Enforce any other rights against the tenant for the violation that the unit owner as the landlord could lawfully have exercised under the lease or that the association could lawfully have exercised directly against the unit owner, or both; but the association does not have the right to terminate a lease or evict a tenant unless permitted by the declaration. The rights referred to in this subsection (5)(c) may be exercised only if the tenant or unit owner fails to cure

the violation within ten days after the association notifies the tenant and unit owner of that violation.

(6) Unless a lease otherwise provides, this section does not:

(a) Affect rights that the unit owner has to enforce the lease or that the association has under other law; or

(b) Permit the association to enforce a lease to which it is not a party in the absence of a violation of the governing documents.

(7) The board may determine whether to take enforcement action by exercising the association's power to impose sanctions or commencing an action for a violation of the governing documents, including whether to compromise any claim for unpaid assessments or other claim made by or against it.

(8) The board does not have a duty to take enforcement action if it determines that, under the facts and circumstances presented:

(a) The association's legal position does not justify taking any or further enforcement action;

(b) The covenant, restriction, or rule being enforced is, or is likely to be construed as, inconsistent with law;

(c) Although a violation may exist or may have occurred, it is not so material as to be objectionable to a reasonable person or to justify expending the association's resources; or

(d) It is not in the association's best interests to pursue an enforcement action.

(9) The board's decision under subsections (7) and (8) of this section to not pursue enforcement under one set of circumstances does not prevent the board from taking enforcement action under another set of circumstances, but the board may not be arbitrary or capricious in taking enforcement action.

NEW SECTION. Sec. 303. BOARD MEMBERS, OFFICERS, AND COMMITTEES. (1)(a) Except as provided otherwise in the governing documents, subsection (4) of this section, or other provisions of this chapter, the board may act on behalf of the association.

(b) In the performance of their duties, officers and board members must exercise the degree of care and loyalty to the association required of an officer or director of a corporation organized, and are subject to the conflict of interest rules governing directors and officers, under chapter 24.06 RCW. The standards of care and loyalty described in this section apply regardless of the form in which the association is organized.

(2)(a) Except as provided otherwise in section 221(5) of this act, effective as of the transition meeting held in accordance with section 304(4) of this act, the board must be comprised of at least three members, at least a majority of whom must be unit owners. However, the number of board members need not exceed the number of units then in the common interest community.

(b) Unless the declaration or organizational documents provide for the election of officers by the unit owners, the board must elect the officers.

(c) Unless provided otherwise in the declaration or organizational documents, board members and officers must take office upon adjournment of the meeting at which they were elected or appointed or, if not elected or appointed at a meeting, at the time of such election or appointment, and must serve until their successor takes office.

(d) In determining the qualifications of any officer or board member of the association, "unit owner" includes, unless the declaration or organizational documents provide otherwise, any board member, officer, member, partner, or trustee of any person, who is, either alone or in conjunction with another person or persons, a unit owner.

(e) Any officer or board member of the association who would not be eligible to serve as such if he or she were not a board member, officer, partner in, or trustee of such a person is disqualified from continuing in office if he or she ceases to have any such affiliation with that person or that person would have been disqualified from continuing in such office as a natural person.

(3) Except when voting as a unit owner, the declarant may not appoint or elect any person or to serve itself as a voting, ex officio or nonvoting board member following the transition meeting.

(4) The board may not, without vote or agreement of the unit owners:

(a) Amend the declaration, except as provided in section 218 of this act;

(b) Amend the organizational documents of the association;

(c) Terminate the common interest community;

(d) Elect members of the board, but may fill vacancies in its membership not resulting from removal for the unexpired portion of any term or, if earlier, until the next regularly scheduled election of board members; or

(e) Determine the qualifications, powers, duties, or terms of office of board members.

(5) The board must adopt budgets as provided in section 326 of this act.

(6) Except for committees appointed by the declarant pursuant to special declarant rights, all committees of the association must be appointed by the board. Committees authorized to exercise any power reserved to the board must include at least two board members who have exclusive voting power for that committee. Committees that are not so composed may not exercise the authority of the board and are advisory only.

NEW SECTION. Sec. 304. PERIOD OF DECLARANT CONTROL—TRANSITION. (1)(a) Subject to subsection (3) of this section, the declaration may provide for a period of declarant control of the association, during which period a declarant, or persons designated by the declarant, may:

(i) Appoint and remove the officers and board members; or

(ii) Veto or approve a proposed action of the board or association.

(b) A declarant may voluntarily surrender the right to appoint and remove officers and board members before the period ends. In that event, the declarant may require that during the remainder of the period, specified actions of the association or board, as described in a recorded amendment to the declaration executed by the declarant, be approved by the declarant before they become effective. A declarant's failure to veto or approve such proposed action in writing within thirty days after receipt of written notice of the proposed action is deemed approval by the declarant.

(2) Regardless of the period provided in the declaration, and except as provided in section 225(7) of this act, a period of declarant control terminates no later than the earliest of:

(a) Sixty days after conveyance of seventy-five percent of the units that may be created to unit owners other than a declarant;

(b) Two years after the last conveyance of a unit, except to a dealer;

(c) Two years after any right to add new units was last exercised; or

(d) The day the declarant, after giving notice in a record to unit owners, records an amendment to the declaration voluntarily surrendering all rights to appoint and remove officers and board members.

(3) Not later than sixty days after conveyance of twenty-five percent of the units that may be created to unit owners other than a declarant, at least one member and not less than twenty-five percent of the members of the board must be elected by unit owners other than the declarant. Not later than sixty days after conveyance of fifty percent of the units that may be created to unit owners other than a declarant, not less than thirty-three and one-third percent of the members of the board must be elected by unit owners other than the declarant. Until such members are elected and take office, the existing board may continue to act on behalf of the association.

(4) Within thirty days after the termination of any period of declarant control or, in the absence of such period, not later than a date that is sixty days after the conveyance of seventy-five percent of the units that may be created to unit owners other than a declarant, the board must schedule a transition meeting and provide notice to the unit owners in accordance with section 310(1)(c) of this act. At the transition meeting, the board elected by the unit owners must be elected in accordance with section 303(2) of this act.

NEW SECTION. Sec. 305. TRANSFER OF ASSOCIATION PROPERTY.

(1) No later than thirty days following the date of the transition meeting held pursuant to section 304(4) of this act, the declarant must deliver or cause to be delivered to the board elected at the transition meeting all property of the unit owners and association as required by the declaration or this chapter including, but not limited to:

(a) The original or a copy of the recorded declaration and each amendment to the declaration;

(b) The organizational documents of the association;

(c) The minute books, including all minutes, and other books and records of the association;

(d) Current rules and regulations that have been adopted;

(e) Resignations of officers and members of the board who are required to resign because the declarant is required to relinquish control of the association;

(f) The financial records, including canceled checks, bank statements, and financial statements of the association, and source documents from the time of formation of the association through the date of transfer of control to the unit owners;

(g) Association funds or the control of the funds of the association;

(h) Originals or copies of any recorded instruments of conveyance for any common elements included within the common interest community but not appurtenant to the units;

(i) All tangible personal property of the association;

(j) Except for alterations to a unit done by a unit owner other than the declarant, a copy of the most recent plans and specifications used in the construction or remodeling of the common interest community, except for buildings containing fewer than three units;

(k) Originals or copies of insurance policies for the common interest community and association;

(l) Originals or copies of any certificates of occupancy that may have been issued for the common interest community;

(m) Originals or copies of any other permits obtained by or on behalf of the declarant and issued by governmental bodies applicable to the common interest community;

(n) Originals or copies of all written warranties that are still in effect for the common elements, or any other areas or facilities that the association has the responsibility to maintain and repair, from the contractor, subcontractors, suppliers, and manufacturers and all owners' manuals or instructions furnished to the declarant with respect to installed equipment or building systems;

(o) A roster of unit owners and eligible mortgagees and their addresses and telephone numbers, if known, as shown on the declarant's records and the date of closing of the first sale of each unit sold by the declarant;

(p) Originals or copies of any leases of the common elements and other leases to which the association is a party;

(q) Originals or photocopies of any employment contracts or service contracts in which the association is one of the contracting parties or service contracts in which the association or the unit owners have an obligation or a responsibility, directly or indirectly, to pay some or all of the fee or charge of the person performing the service;

(r) Originals or copies of any qualified warranty issued to the association as provided for in RCW 64.35.505; and

(s) Originals or copies of all other contracts to which the association is a party.

(2) Within sixty days of the transition meeting, the board must retain the services of a certified public accountant to audit the records of the association as the date of the transition meeting in accordance with generally accepted auditing standards unless the unit owners, other than the declarant, to which a majority of the votes are allocated elect to waive the audit. The cost of the audit must be a common expense unless otherwise provided in the declaration. The accountant performing the audit must examine supporting documents and records, including the cash disbursements and related paid invoices, to determine if expenditures were for association purposes and the billings, cash receipts, and related records to determine if the declarant was charged for and paid the proper amount of assessments.

(3) A declaration may provide for the appointment of specified positions on the board by persons other than the declarant or an affiliate of the declarant during or after the period of declarant control. It also may provide a method for filling vacancies in those positions, other than by election by the unit owners. However, after the period of declarant control, appointed members:

(a) May not comprise more than one-third of the board; and

(b) Have no greater authority than any other board member.

NEW SECTION. Sec. 306. TRANSFER OF SPECIAL DECLARANT RIGHTS. (1) Except as provided in subsection (3) of this section, a special declarant right created or reserved under this chapter may be transferred only by an instrument effecting the transfer and executed by the transferor, to be recorded in every county in which any portion of the common interest community is located. The transferee must provide the association with a copy

of the recorded instrument, but the failure to furnish the copy does not invalidate the transfer.

(2) Upon transfer of any special declarant right, the liability of a transferor declarant is as follows:

(a) A transferor is not relieved of any obligation or liability arising before the transfer and remains liable for such warranty obligations arising before the transfer imposed upon the transferor under this chapter. Lack of privity does not deprive any unit owner of standing to maintain an action to enforce any obligation of the transferor.

(b) If a successor to any special declarant right is an affiliate of a declarant the transferor is jointly and severally liable with the successor for any obligations or liabilities of the successor relating to the common interest community.

(c) If a transferor retains any special declarant rights, but transfers other special declarant rights to a successor who is not an affiliate of the declarant, the transferor is liable for any obligations or liabilities imposed on a declarant under this chapter or by the declaration relating to the retained special declarant rights, whether arising before or after the transfer.

(d) A transferor is not liable for any act or omission or any breach of a contractual or warranty obligation by a successor declarant who is not an affiliate of the transferor.

(3) Upon foreclosure of a security interest, sale by a trustee under an agreement creating a security interest, tax sale, judicial sale, or sale under bankruptcy code or receivership proceedings of any unit owned by a declarant or real property in a common interest community that is subject to any special declarant rights, a person acquiring title to the real property being foreclosed or sold succeeds to all of the special declarant rights related to that real property held by that declarant and to any rights reserved in the declaration pursuant to section 216 of this act and held by that declarant to maintain models, sales offices, and signs except to the extent the judgment or instrument effecting the transfer states otherwise.

(4) Upon foreclosure of a security interest, sale by a trustee under an agreement creating a security interest, tax sale, judicial sale, or sale under bankruptcy code or receivership proceedings of all interests in a common interest community owned by a declarant, any special declarant rights that are not transferred as stated in subsection (3) of this section terminate.

(5) The liabilities and obligations of a person who succeeds to special declarant rights are as follows:

(a) A successor to any special declarant right who is an affiliate of a declarant is subject to all obligations and liabilities imposed on the transferor under this chapter or by the declaration.

(b) A successor to any special declarant right, other than a successor who is an affiliate of a declarant, is subject to the obligations and liabilities imposed under this chapter or the declaration:

(i) On a declarant that relate to the successor's exercise of special declarant rights; and

(ii) On the declarant's transferor, other than:

(A) Misrepresentations by any previous declarant;

(B) Any warranty obligations pursuant to section 415 (1) through (3) of this act on improvements made or contracted for, or units sold by, a previous declarant or that were made before the common interest community was created;

(C) Breach of any fiduciary obligation by any previous declarant or the previous declarant's appointees to the board; or

(D) Any liability or obligation imposed on the transferor as a result of the transferor's acts or omissions after the transfer.

(c) A successor to only a right reserved in the declaration to maintain models, sales offices, and signs may not exercise any other special declarant right, and is not subject to any liability or obligation as a declarant, except the obligation to provide a public offering statement and any liability arising as a result of such reserved rights.

(6) This section does not subject any successor to a special declarant right to any claims against or other obligations of a transferor declarant, other than claims and obligations arising under this chapter or the declaration.

NEW SECTION. Sec. 307. TERMINATION OF CONTRACTS AND LEASES. (1) Within two years after the transition meeting, the association may terminate without penalty, upon not less than ninety days' notice to the other party, any of the following if it was entered into before the board was elected:

(a) Any management, maintenance, operations, or employment contract, or lease of recreational or parking areas or facilities; or

(b) Any other contract or lease between the association and a declarant or an affiliate of a declarant.

(2) The association may terminate without penalty, at any time after the board elected by the unit owners pursuant to section 304(4) of this act takes office upon not less than ninety days' notice to the other party, any contract or lease that is not bona fide or was unconscionable to the unit owners at the time entered into.

(3) This section does not apply to:

(a) Any lease the termination of which would terminate the common interest community or reduce its size, unless the real estate subject to that lease was included in the common interest community for the purpose of avoiding the right of the association to terminate a lease under this section; or

(b) A proprietary lease.

NEW SECTION. Sec. 308. ORGANIZATIONAL DOCUMENTS. (1) Unless provided for in the declaration, the organizational documents of the association must:

(a) Provide the number of board members and the titles of the officers of the association;

(b) Provide for election by the board or, if the declaration requires, by the unit owners of a president, treasurer, secretary, and any other officers of the association the organizational documents specify;

(c) Specify the qualifications, powers and duties, terms of office, and manner of electing and removing board members and officers and filling vacancies in accordance with section 303 of this act;

(d) Specify the powers the board or officers may delegate to other persons or to a managing agent;

(e) Specify a method for the unit owners to amend the organizational documents;

(f) Describe the budget ratification process required under section 326 of this act, if not provided in the declaration;

(g) Contain any provision necessary to satisfy requirements in this chapter or the declaration concerning meetings, voting, quorums, and other activities of the association; and

(h) Provide for any matter required by law of this state other than this chapter to appear in the organizational documents of organizations of the same type as the association.

(2) Subject to the declaration and this chapter, the organizational documents may provide for any other necessary or appropriate matters.

NEW SECTION. Sec. 309. UPKEEP OF COMMON INTEREST COMMUNITY. (1) Except to the extent provided by the declaration, subsections (2) and (4) of this section, or section 315(8) of this act, the association must maintain, repair, and replace the common elements, including limited common elements, and each unit owner must maintain, repair, and replace that owner's unit.

(2) The board may by rule designate physical components of the property for which a unit owner is otherwise responsible that present a heightened risk of damage or harm to persons or property if the physical components fail. The association may require that specific measures be taken by the unit owner or the association to diminish that risk of harm. If a unit owner fails to accomplish any necessary maintenance, repair, or replacement to those components, or fails to take any other measures required of the unit owner under this subsection, the association may, after notice to a unit owner and an opportunity to be heard, enter the unit in the manner pursuant to subsection (3) of this section to perform such maintenance, repair, replacement, or measure at the expense of that unit owner.

(3) Upon prior notice, except in case of an emergency, each unit owner must afford to the association and the other unit owners, and to their agents or employees, access through that owner's unit and limited common elements reasonably necessary for the purposes stated in subsections (1) and (2) of this section, including necessary inspections by the association. If damage is inflicted on the common elements or on any unit through which access is taken, the unit owner responsible for the damage, or the association if it is responsible, is liable for the prompt repair of the damage.

(4) In addition to the liability that a declarant as a unit owner has under this chapter, the declarant alone is liable for all expenses in connection with real estate subject to development rights and no other unit owner and no other portion of the common interest community is subject to a claim for payment of those expenses. However, the declaration may provide that the expenses associated with the operation, maintenance, repair, and replacement of a common element that the owners have a right to use must be paid by the association as a common expense. Unless the declaration provides otherwise, any income or proceeds from real estate subject to development rights inures to the declarant.

(5) In a plat community or miscellaneous community, if all development rights have expired with respect to any real estate, the declarant remains liable

for all expenses of that real estate unless, upon expiration, the declaration provides that the real estate becomes common elements or units.

NEW SECTION. Sec. 310. MEETINGS. (1) The following requirements apply to unit owner meetings:

(a) A meeting of the association must be held at least once each year. Failure to hold an annual meeting does not cause a forfeiture or give cause for dissolution of the association and does not affect otherwise valid association acts.

(b)(i) An association must hold a special meeting of unit owners to address any matter affecting the common interest community or the association if its president, a majority of the board, or unit owners having at least twenty percent, or any lower percentage specified in the organizational documents, of the votes in the association request that the secretary call the meeting.

(ii) If the association does not provide notice to unit owners of a special meeting within thirty days after the requisite number or percentage of unit owners request the secretary to do so, the requesting members may directly provide notice to all the unit owners of the meeting. Only matters described in the meeting notice required in (c) of this subsection may be considered at a special meeting.

(c) An association must provide notice to unit owners of the time, date, and place of each annual and special unit owners meeting not less than fourteen days and not more than fifty days before the meeting date. Notice may be by any means described in section 324 of this act. The notice of any meeting must state the time, date, and place of the meeting and the items on the agenda, including:

(i) The text of any proposed amendment to the declaration or organizational documents;

(ii) Any changes in the previously approved budget that result in a change in the assessment obligations; and

(iii) Any proposal to remove a board member or officer.

(d) The minimum time to provide notice required in (c) of this subsection may be reduced or waived for a meeting called to deal with an emergency.

(e) Unit owners must be given a reasonable opportunity at any meeting to comment regarding any matter affecting the common interest community or the association.

(f) The declaration or organizational documents may allow for meetings of unit owners to be conducted by telephonic, video, or other conferencing process, if the process is consistent with subsection (2)(i) of this section.

(2) The following requirements apply to meetings of the board and committees authorized to act for the board:

(a) Meetings must be open to the unit owners except during executive sessions, but the board may expel or prohibit attendance by any person who, after warning by the chair of the meeting, disrupts the meeting. The board and those committees may hold an executive session only during a regular or special meeting of the board or a committee. A final vote or action may not be taken during an executive session.

(b) An executive session may be held only to:

(i) Consult with the association's attorney concerning legal matters;

(ii) Discuss existing or potential litigation or mediation, arbitration, or administrative proceedings;

(iii) Discuss labor or personnel matters;

(iv) Discuss contracts, leases, and other commercial transactions to purchase or provide goods or services currently being negotiated, including the review of bids or proposals, if premature general knowledge of those matters would place the association at a disadvantage; or

(v) Prevent public knowledge of the matter to be discussed if the board or committee determines that public knowledge would violate the privacy of any person.

(c) For purposes of this subsection, a gathering of members of the board or committees at which the board or committee members do not conduct association business is not a meeting of the board or committee. Board members and committee members may not use incidental or social gatherings to evade the open meeting requirements of this subsection.

(d) During the period of declarant control, the board must meet at least four times a year. At least one of those meetings must be held at the common interest community or at a place convenient to the community. After the transition meeting, all board meetings must be at the common interest community or at a place convenient to the common interest community unless the unit owners amend the bylaws to vary the location of those meetings.

(e) At each board meeting, the board must provide a reasonable opportunity for unit owners to comment regarding matters affecting the common interest community and the association.

(f) Unless the meeting is included in a schedule given to the unit owners or the meeting is called to deal with an emergency, the secretary or other officer specified in the organizational documents must provide notice of each board meeting to each board member and to the unit owners. The notice must be given at least fourteen days before the meeting and must state the time, date, place, and agenda of the meeting.

(g) If any materials are distributed to the board before the meeting, the board must make copies of those materials reasonably available to those unit owners, except that the board need not make available copies of unapproved minutes or materials that are to be considered in executive session.

(h) Unless the organizational documents provide otherwise, fewer than all board members may participate in a regular or special meeting by or conduct a meeting through the use of any means of communication by which all board members participating can hear each other during the meeting. A board member participating in a meeting by these means is deemed to be present in person at the meeting.

(i) Unless the organizational documents provide otherwise, the board may meet by participation of all board members by telephonic, video, or other conferencing process if:

(i) The meeting notice states the conferencing process to be used and provides information explaining how unit owners may participate in the conference directly or by meeting at a central location or conference connection; and

(ii) The process provides all unit owners the opportunity to hear or perceive the discussion and to comment as provided in (e) of this subsection.

(j) After the transition meeting, unit owners may amend the organizational documents to vary the procedures for meetings described in (i) of this subsection.

(k) Instead of meeting, the board may act by unanimous consent as documented in a record by all its members. Actions taken by unanimous consent must be kept as a record of the association with the meeting minutes. After the transition meeting, the board may act by unanimous consent only to undertake ministerial actions, actions subject to ratification by the unit owners, or to implement actions previously taken at a meeting of the board.

(l) A board member who is present at a board meeting at which any action is taken is presumed to have assented to the action taken unless the board member's dissent or abstention to such action is lodged with the person acting as the secretary of the meeting before adjournment of the meeting or provided in a record to the secretary of the association immediately after adjournment of the meeting. The right to dissent or abstain does not apply to a board member who voted in favor of such action at the meeting.

(m) A board member may not vote by proxy or absentee ballot.

(n) Even if an action by the board is not in compliance with this section, it is valid unless set aside by a court. A challenge to the validity of an action of the board for failure to comply with this section may not be brought more than ninety days after the minutes of the board of the meeting at which the action was taken are approved or the record of that action is distributed to unit owners, whichever is later.

(3) Minutes of all unit owner meetings and board meetings, excluding executive sessions, must be maintained in a record. The decision on each matter voted upon at a board meeting or unit owner meeting must be recorded in the minutes.

NEW SECTION. Sec. 311. QUORUM. (1) Unless the organizational documents provide otherwise, a quorum is present throughout any meeting of the unit owners if persons entitled to cast twenty percent of the votes in the association:

(a) Are present in person or by proxy at the beginning of the meeting;

(b) Have voted by absentee ballot; or

(c) Are present by any combination of (a) and (b) of this subsection.

(2) Unless the organizational documents specify a larger number, a quorum of the board is present for purposes of determining the validity of any action taken at a meeting of the board only if individuals entitled to cast a majority of the votes on that board are present at the time a vote regarding that action is taken. If a quorum is present when a vote is taken, the affirmative vote of a majority of the board members present is the act of the board unless a greater vote is required by the organizational documents.

NEW SECTION. Sec. 312. UNIT OWNER VOTING. (1) Unit owners may vote at a meeting in person, by absentee ballot pursuant to subsection (3)(d) of this section, or by a proxy pursuant to subsection (5) of this section.

(2) When a vote is conducted without a meeting, unit owners may vote by ballot pursuant to subsection (6) of this section.

(3) At a meeting of unit owners the following requirements apply:

(a) Unit owners or their proxies who are present in person may vote by voice vote, show of hands, standing, written ballot, or any other method for determining the votes of unit owners, as designated by the person presiding at the meeting.

(b) If only one of several unit owners of a unit is present, that unit owner is entitled to cast all the votes allocated to that unit. If more than one of the unit owners are present, the votes allocated to that unit may be cast only in accordance with the agreement of a majority in interest of the unit owners, unless the declaration expressly provides otherwise. There is a majority agreement if any one of the unit owners casts the votes allocated to the unit without protest being made promptly to the person presiding over the meeting by any of the other unit owners of the unit.

(c) Unless a greater number or fraction of the votes in the association is required under this chapter or the declaration or organizational documents, a majority of the votes cast determines the outcome of any action of the association.

(d) Whenever proposals or board members are to be voted upon at a meeting, a unit owner may vote by duly executed absentee ballot if:

(i) The name of each candidate and the text of each proposal to be voted upon are set forth in a writing accompanying or contained in the notice of meeting; and

(ii) A ballot is provided by the association for such purpose.

(4) When a unit owner votes by absentee ballot, the association must be able to verify that the ballot is cast by the unit owner having the right to do so.

(5) Except as provided otherwise in the declaration or organizational documents, the following requirements apply with respect to proxy voting:

(a) Votes allocated to a unit may be cast pursuant to a directed or undirected proxy duly executed by a unit owner in the same manner as provided in RCW 24.06.110.

(b) If a unit is owned by more than one person, each unit owner of the unit may vote or register protest to the casting of votes by the other unit owners of the unit through a duly executed proxy.

(c) A unit owner may revoke a proxy given pursuant to this section only by actual notice of revocation to the secretary or the person presiding over a meeting of the association or by delivery of a subsequent proxy. The death or disability of a unit owner does not revoke a proxy given by the unit owner unless the person presiding over the meeting has actual notice of the death or disability.

(d) A proxy is void if it is not dated or purports to be revocable without notice.

(e) Unless stated otherwise in the proxy, a proxy terminates eleven months after its date of issuance.

(6) Unless prohibited or limited by the declaration or organizational documents, an association may conduct a vote without a meeting. In that event, the following requirements apply:

(a) The association must notify the unit owners that the vote will be taken by ballot.

(b) The notice must state:

(i) The time and date by which a ballot must be delivered to the association to be counted, which may not be fewer than fourteen days after the date of the

notice, and which deadline may be extended in accordance with (g) of this subsection;

(ii) The percent of votes necessary to meet the quorum requirements;

(iii) The percent of votes necessary to approve each matter other than election of board members; and

(iv) The time, date, and manner by which unit owners wishing to deliver information to all unit owners regarding the subject of the vote may do so.

(c) The association must deliver a ballot to every unit owner with the notice.

(d) The ballot must set forth each proposed action and provide an opportunity to vote for or against the action.

(e) A ballot cast pursuant to this section may be revoked only by actual notice to the association of revocation. The death or disability of a unit owner does not revoke a ballot unless the association has actual notice of the death or disability prior to the date set forth in (b)(i) of this subsection.

(f) Approval by ballot pursuant to this subsection is valid only if the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action.

(g) If the association does not receive a sufficient number of votes to constitute a quorum or to approve the proposal by the date and time established for return of ballots, the board may extend the deadline for a reasonable period not to exceed eleven months upon further notice to all members in accordance with (b) of this subsection. In that event, all votes previously cast on the proposal must be counted unless subsequently revoked as provided in this section.

(h) A ballot or revocation is not effective until received by the association.

(i) The association must give notice to unit owners of any action taken pursuant to this subsection within a reasonable time after the action is taken.

(j) When an action is taken pursuant to this subsection, a record of the action, including the ballots or a report of the persons appointed to tabulate such ballots, must be kept with the minutes of meetings of the association.

(7) If the governing documents require that votes on specified matters affecting the common interest community be cast by lessees rather than unit owners of leased units:

(a) This section applies to lessees as if they were unit owners;

(b) Unit owners that have leased their units to other persons may not cast votes on those specified matters; and

(c) Lessees are entitled to notice of meetings, access to records, and other rights respecting those matters as if they were unit owners.

(8) Unit owners must also be given notice, in the manner provided in section 324 of this act, of all meetings at which lessees may be entitled to vote.

(9) In any vote of the unit owners, votes allocated to a unit owned by the association must be cast in the same proportion as the votes cast on the matter by unit owners other than the association.

NEW SECTION. Sec. 313. TORT AND CONTRACT LIABILITY—TOLLING OF LIMITATION PERIOD. (1) A unit owner is not liable, solely by reason of being a unit owner, for an injury or damage arising out of the condition or use of the common elements. Neither the association nor any unit owner except the declarant is liable for that declarant's torts in connection with any part of the common interest community which that declarant must maintain.

(2)(a) An action alleging a wrong done by the association, including an action arising out of the condition or use of the common elements, may be maintained only against the association and not against any unit owner.

(b) If the wrong occurred during any period of declarant control and the association gives the declarant reasonable notice of and an opportunity to defend against the action, the declarant who then controlled the association is liable to the association or to any unit owner for (i) all tort losses not covered by insurance suffered by the association or that unit owner and (ii) all costs that the association would not have incurred but for a breach of contract or other wrongful act or omission by the association.

(c) If a declarant is liable to an association under this section, the declarant is also liable for all expenses of litigation, including reasonable attorneys' fees and costs, incurred by the association.

(3)(a) Except as provided in section 417 of this act with respect to warranty claims, any statute of limitation affecting the association's right of action against a declarant under this chapter is tolled until any period of declarant control terminates.

(b) A unit owner is not precluded from maintaining an action contemplated under this section because that person is a unit owner, board member, or officer of the association. Liens resulting from judgments against the association are governed under section 319 of this act.

NEW SECTION. Sec. 314. CONVEYANCE OR ENCUMBRANCE OF COMMON ELEMENTS. (1)(a) In a common interest community other than a cooperative, portions of the common elements may be conveyed or subjected to a security interest by the association if unit owners entitled to cast at least eighty percent of the votes in the association, including eighty percent of the votes allocated to units not owned by a declarant, or any larger percentage the declaration specifies, agree to that action; but all unit owners of units to which any limited common element is allocated must agree to convey that limited common element or subject it to a security interest. The declaration may specify a smaller percentage only if all of the units are restricted exclusively to nonresidential uses.

(b) Proceeds of the sale or a loan are an asset of the association, but the proceeds of the sale of limited common elements must be distributed equitably among the unit owners of units to which the limited common elements were allocated. This subsection (1) does not apply to the incorporation of common elements into units as a result of relocating unit boundaries pursuant to section 213 of this act, to subdividing or combining units pursuant to section 214 of this act, or to eminent domain proceedings pursuant to section 106 of this act.

(2)(a) Part of a cooperative may be conveyed and all or part of a cooperative may be subjected to a security interest by the association if unit owners entitled to cast at least eighty percent of the votes in the association, including eighty percent of the votes allocated to units not owned by a declarant, or any larger percentage the declaration specifies, agree to that action; but, if fewer than all of the units or limited common elements are to be conveyed or subjected to a security interest, all unit owners of those units, or the units to which those limited common elements are allocated, must agree to convey those units or limited common elements or subject them to a security interest. The declaration

may specify a smaller percentage only if all of the units are restricted exclusively to nonresidential uses.

(b) Proceeds of the sale or a loan are an asset of the association. Any purported conveyance or other voluntary transfer of an entire cooperative, unless made pursuant to section 219 of this act, is void. This subsection (2) does not apply to the incorporation of common elements into units as a result of relocating unit boundaries pursuant to section 213 of this act, to subdividing or combining units pursuant to section 214 of this act, or to eminent domain proceedings pursuant to section 106 of this act.

(3) An agreement to convey common elements in a common interest community other than a cooperative, or to subject them to a security interest, or in a cooperative, an agreement to convey any part of a cooperative or subject it to a security interest, must be evidenced by the execution of an agreement, or ratifications of an agreement, in the same manner as a deed, by the requisite number of unit owners. The agreement must specify a date after which the agreement will be void unless recorded before that date. The agreement and all ratifications of the agreement must be recorded in every county in which a portion of the common interest community is situated and is effective only upon recordation.

(4) The association, on behalf of the unit owners, may contract to convey or dedicate an interest in a common interest community pursuant to subsection (1) of this section, but the contract is not enforceable against the association until approved pursuant to subsection (1), (2), or (3) of this section. Thereafter, the association has all powers necessary and appropriate to effect the conveyance or encumbrance, including the power to execute deeds or other instruments.

(5) Unless made pursuant to this section, any purported conveyance, encumbrance, judicial sale, or other voluntary transfer of common elements or of any other part of a cooperative is void.

(6) A conveyance or encumbrance of common elements or of a cooperative pursuant to this section does not deprive any unit of its rights of access and support.

(7) Unless the declaration requires a higher percentage, if the consent of eligible mortgagees holding security interests on at least eighty percent of the units subject to security interests held by eligible mortgagees on the day the unit owners' agreement under subsection (3) of this section is recorded, is obtained:

(a) A conveyance of common elements pursuant to this section terminates both the undivided interests in those common elements allocated to the units and the security interests in those undivided interests held by all persons holding security interests in the units; and

(b) An encumbrance of common elements pursuant to this section has priority over all preexisting encumbrances on the undivided interests in those common elements held by all persons holding security interests in the units.

(8) The consents of eligible mortgagees, or a certificate of the secretary affirming that the requisite percentage of eligible mortgagees have consented, may be recorded at any time before the date on which the agreement under subsection (3) of this section becomes void. Such consents or certificates recorded are valid from the date they are recorded for purposes of calculating the percentage of consenting eligible mortgagees, regardless of later conveyance or encumbrances on those units. If the required percentage of eligible mortgagees

consent, a conveyance or encumbrance of common elements does not affect interests having priority over the declaration or created by the association after the declaration was recorded.

(9) In a cooperative, the association may acquire, hold, encumber, or convey a proprietary lease without complying with this section.

NEW SECTION. Sec. 315. INSURANCE. (1) Commencing not later than the time of the first conveyance of a unit to a person other than a declarant, the association must maintain in its own name, to the extent reasonably available and subject to reasonable deductibles:

(a) Property insurance on the common elements and, in a plat community or miscellaneous community, also on property that must become common elements, insuring against risks of direct physical loss commonly insured against, which insurance, after application of any deductibles, must be not less than eighty percent of the actual cash value of the insured property at the time the insurance is purchased and at each renewal date, exclusive of land, excavations, foundations, and other items normally excluded from property policies;

(b) Commercial general liability insurance, including medical payments insurance, in an amount determined by the board, but not less than any amount specified in the declaration, covering all occurrences commonly insured against for bodily injury and property damage arising out of or in connection with the use, ownership, or maintenance of the common elements and, in cooperatives, of all units;

(c) Fidelity insurance; and

(d) Other insurance required under the declaration.

(2) In the case of a building that contains units divided by horizontal boundaries described in the declaration, or vertical boundaries that comprise common walls between units, the insurance maintained under subsection (1)(a) of this section, to the extent reasonably available, must include the units and, unless provided otherwise in the declaration, all improvements and betterments to the units.

(3) If the insurance described in subsections (1) and (2) of this section is not reasonably available, the association must promptly cause notice of that fact to be given to all unit owners. The association may carry any other insurance it considers appropriate to protect the association or the unit owners.

(4) Insurance policies carried pursuant to subsections (1) and (2) of this section must provide that:

(a) Each unit owner is an insured person under the policy with respect to liability arising out of the unit owner's interest in the common elements or membership in the association;

(b) The insurer waives its right to subrogation under the policy against any unit owner or member of the unit owner's household;

(c) Any act or omission by a unit owner, unless acting within the unit owner's scope of authority on behalf of the association, does not void the policy and is not a condition to recovery under the policy; and

(d) If, at the time of a loss under the policy, there is other insurance in the name of a unit owner covering the same risk covered by the policy, the association's policy provides primary insurance.

(5) Any loss covered by the property insurance policy under subsection (1)(a) and (b) of this section must be adjusted with the association, but the insurance proceeds for that loss are payable to any insurance trustee designated for that purpose, or otherwise to the association, and not to any holder of a security interest. The insurance trustee or the association must hold any insurance proceeds in trust for the association, unit owners, and lienholders as their interests may appear. Subject to subsection (8) of this section, the proceeds must be disbursed first for the repair or replacement of the damaged property, and the association, unit owners, and lienholders are not entitled to receive payment of any portion of the proceeds unless there is a surplus of proceeds after the property has been completely repaired or replaced, or the common interest community is terminated.

(6) An insurance policy issued to the association does not prevent a unit owner from obtaining insurance for the unit owner's own benefit.

(7) An insurer that has issued an insurance policy under this section must issue certificates or memoranda of insurance to the association and, upon a request made in a record, to any unit owner or holder of a security interest. The insurer issuing the policy may not modify the amount or the extent of the coverage of the policy or cancel or refuse to renew the policy unless the insurer has complied with all applicable provisions of chapter 48.18 RCW pertaining to the cancellation or nonrenewal of contracts of insurance. The insurer may not modify the amount or the extent of the coverage of the policy or cancel or refuse to renew the policy without complying with this section.

(8) Any portion of the common interest community for which insurance is required under this section that is damaged or destroyed must be repaired or replaced promptly by the association unless:

(a) The common interest community is terminated, in which case section 219 of this act applies;

(b) Repair or replacement would be illegal; or

(c) Eighty percent of the unit owners, including every unit owner of a unit or assigned limited common element that will not be rebuilt, vote not to rebuild.

(9) The cost of repair or replacement not paid from insurance proceeds is a common expense. If all of the damaged or destroyed portions of the common interest community are not repaired or replaced:

(a) The insurance proceeds attributable to the damaged common elements must be used to restore the damaged area to a condition compatible with the remainder of the common interest community; and

(b) Except to the extent that other persons will be distributees:

(i) The insurance proceeds attributable to units and limited common elements that are not repaired or replaced must be distributed to the unit owners of those units and the unit owners of the units to which those limited common elements were allocated, or to lienholders, as their interests may appear; and

(ii) The remainder of the proceeds must be distributed to all the unit owners or lienholders, as their interests may appear, as follows:

(A) In a condominium, in proportion to the common element interests of all the units; and

(B) In a cooperative, plat community, or miscellaneous community, in proportion to the common expense liabilities of all the units.

(10) If the unit owners vote not to rebuild any unit, that unit's allocated interests are automatically reallocated upon the vote as if the unit had been condemned under section 106 of this act, and the association promptly must prepare, execute, and record an amendment to the declaration reflecting the reallocations.

(11) The provisions of this section may be varied or waived as provided in the declaration if all units of a common interest community are restricted to nonresidential use.

NEW SECTION. Sec. 316. ACCOUNTS—RECONCILIATION. (1) The association must establish and maintain its accounts and records in a manner that will enable it to credit assessments for common expenses and specially allocated expenses, including allocations to reserves, and other income to the association, and to charge expenditures, to the account of the appropriate units in accordance with the provisions of the declaration.

(2) To assure that the unit owners are correctly assessed for the actual expenses of the association, the accounts of the association must be reconciled at least annually unless the board determines that a reconciliation would not result in a material savings to any unit owner. Unless provided otherwise in the declaration, any surplus funds of the association remaining after the payment of or provision for common expenses and any prepayment of reserves must be paid annually to the unit owners in proportion to their common expense liabilities or credited to them to reduce their future common expense assessments.

NEW SECTION. Sec. 317. ASSESSMENTS AND CAPITAL CONTRIBUTIONS. (1)(a) Assessments for common expenses and those specially allocated expenses that are subject to inclusion in a budget must be made at least annually based on a budget adopted at least annually by the association in the manner provided in section 326 of this act.

(b) Assessments for common expenses and specially allocated expenses must commence on all units that have been created upon the conveyance of the first unit in the common interest community; however, the declarant may delay commencement of assessments for some or all common expenses or specially allocated expenses, in which event the declarant must pay all of the common expenses or specially allocated expenses that have been delayed. In a common interest community in which units may be added pursuant to reserved development rights, the declarant may delay commencement of assessments for such units in the same manner.

(2) The declaration may provide that, upon closing of the first conveyance of each unit to a purchaser or first occupancy of a unit, whichever occurs first, the association may assess and collect a working capital contribution for such unit. The working capital contribution may be collected prior to the commencement of common assessments under subsection (1) of this section. A working capital contribution may not be used to defray expenses that are the obligation of the declarant.

(3) Except as provided otherwise in this section, all common expenses must be assessed against all the units in accordance with their common expense liabilities, subject to the right of the declarant to delay commencement of certain common expenses under subsections (1) and (2) of this section. Any past due

assessment or installment of past due assessment bears interest at the rate established by the association pursuant to section 318 of this act.

(4) The declaration may provide that any of the following expenses of the association must be assessed against the units on some basis other than common expense liability. If and to the extent the declaration so provides, the association must assess:

(a) Expenses associated with the operation, maintenance, repair, or replacement of any specified limited common element against the units to which that limited common element is assigned, equally or in any other proportion that the declaration provides;

(b) Expenses specified in the declaration as benefiting fewer than all of the units or their unit owners exclusively against the units benefited in proportion to their common expense liability or in any other proportion that the declaration provides;

(c) The costs of insurance in proportion to risk; and

(d) The costs of one or more specified utilities in proportion to respective usage or upon the same basis as such utility charges are made by the utility provider.

(5) Assessments to pay a judgment against the association may be made only against the units in the common interest community at the time the judgment was entered, in proportion to their common expense liabilities.

(6) To the extent that any expense of the association is caused by willful misconduct or gross negligence of any unit owner or that unit owner's tenant, guest, invitee, or occupant, the association may assess that expense against the unit owner's unit after notice and an opportunity to be heard, even if the association maintains insurance with respect to that damage or common expense.

(7) If the declaration so provides, to the extent that any expense of the association is caused by the negligence of any unit owner or that unit owner's tenant, guest, invitee, or occupant, the association may assess that expense against the unit owner's unit after notice and an opportunity to be heard, to the extent of the association's deductible and any expenses not covered under an insurance policy issued to the association.

(8) In the event of a loss or damage to a unit that would be covered by the association's property insurance policy, excluding policies for earthquake, flood, or similar losses that have higher than standard deductibles, but that is within the deductible under that policy and if the declaration so provides, the association may assess the amount of the loss up to the deductible against that unit. This subsection does not prevent a unit owner from asserting a claim against another person for the amount assessed if that other person would be liable for the damages under general legal principles.

(9) If common expense liabilities are reallocated, assessments and any installment of assessments not yet due must be recalculated in accordance with the reallocated common expense liabilities.

NEW SECTION. Sec. 318. LIEN FOR SUMS DUE ASSOCIATION—ENFORCEMENT. (1) The association has a statutory lien on each unit for any unpaid assessment against the unit from the time such assessment is due.

(2) A lien under this section has priority over all other liens and encumbrances on a unit except:

(a) Liens and encumbrances recorded before the recordation of the declaration and, in a cooperative, liens and encumbrances that the association creates, assumes, or takes subject to;

(b) Except as otherwise provided in subsection (3) of this section, a security interest on the unit recorded before the date on which the unpaid assessment became due or, in a cooperative, a security interest encumbering only the unit owner's interest and perfected before the date on which the unpaid assessment became due; and

(c) Liens for real estate taxes and other state or local governmental assessments or charges against the unit or cooperative.

(3)(a) A Lien under this section also has priority over the security interests described in subsection (2)(b) of this section to the extent of an amount equal to the following:

(i) The common expense assessments, excluding any amounts for capital improvements, based on the periodic budget adopted by the association pursuant to section 317(1) of this act, along with any specially allocated assessments that are properly assessable against the unit under such periodic budget, which would have become due in the absence of acceleration during the six months immediately preceding the institution of proceedings to foreclose either the association's lien or a security interest described in subsection (2)(b) of this section;

(ii) The association's actual costs and reasonable attorneys' fees incurred in foreclosing its lien but incurred after the giving of the notice described in (a)(iii) of this subsection; provided, however, that the costs and reasonable attorneys' fees that will have priority under this subsection (3)(a)(ii) shall not exceed two thousand dollars or an amount equal to the amounts described in (a)(i) of this subsection, whichever is less;

(iii) The amounts described in (a)(ii) of this subsection shall be prior only to the security interest of the holder of a security interest on the unit recorded before the date on which the unpaid assessment became due and only if the association has given that holder not less than sixty days' prior written notice that the owner of the unit is in default in payment of an assessment. The notice shall contain:

(A) Name of the borrower;

(B) Recording date of the trust deed or mortgage;

(C) Recording information;

(D) Name of condominium, unit owner, and unit designation stated in the declaration or applicable supplemental declaration;

(E) Amount of unpaid assessment; and

(F) A statement that failure to, within sixty days of the written notice, submit the association payment of six months of assessments as described in (a)(i) of this subsection will result in the priority of the amounts described in (a)(ii) of this subsection; and

(iv) Upon payment of the amounts described in (a)(i) of this subsection by the holder of a security interest, the association's lien described in this subsection (3)(a) shall thereafter be fully subordinated to the lien of such holder's security interest on the unit.

(b) For the purposes of this subsection:

(i) "Institution of proceedings" means either:

(A) The date of recording of a notice of trustee's sale by a deed of trust beneficiary;

(B) The date of commencement, pursuant to applicable court rules, of an action for judicial foreclosure either by the association or by the holder of a recorded security interest; or

(C) The date of recording of a notice of intention to forfeit in a real estate contract forfeiture proceeding by the vendor under a real estate contract.

(ii) "Capital improvements" does not include making, in the ordinary course of management, repairs to common elements or replacements of the common elements with substantially similar items, subject to: (A) Availability of materials and products, (B) prevailing law, or (C) sound engineering and construction standards then prevailing.

(c) The adoption of a periodic budget that purports to allocate to a unit any fines, late charges, interest, attorneys' fees and costs incurred for services unrelated to the foreclosure of the association's lien, other collection charges, or specially allocated assessments assessed under section 317 (6) or (7) of this act does not cause any such items to be included in the priority amount affecting such unit.

(4) Subsections (2) and (3) of this section do not affect the priority of mechanics' or material suppliers' liens to the extent that law of this state other than this act gives priority to such liens, or the priority of liens for other assessments made by the association.

(5) A lien under this section is not subject to chapter 6.13 RCW.

(6) If the association forecloses its lien under this section nonjudicially pursuant to chapter 61.24 RCW, as provided under subsection (13) of this section, the association is not entitled to the lien priority provided for under subsection (3) of this section, and is subject to the limitations on deficiency judgments as provided in chapter 61.24 RCW.

(7) Unless the declaration provides otherwise, if two or more associations have liens for assessments created at any time on the same property, those liens have equal priority as to each other, and any foreclosure of one such lien shall not affect the lien of the other.

(8) Recording of the declaration constitutes record notice and perfection of the statutory lien created under this section. Further notice or recordation of any claim of lien for assessment under this section is not required, but is not prohibited.

(9) A lien for unpaid assessments and the personal liability for payment of those assessments are extinguished unless proceedings to enforce the lien or collect the debt are instituted within six years after the full amount of the assessments sought to be recovered becomes due.

(10) This section does not prohibit actions against unit owners to recover sums for which subsection (1) of this section creates a lien or prohibit an association from taking a deed in lieu of foreclosure.

(11) The association upon written request must furnish to a unit owner or a mortgagee a statement signed by an officer or authorized agent of the association setting forth the amount of unpaid assessments or the priority amount against that unit, or both. The statement must be furnished within fifteen days after receipt of the request and is binding on the association, the board, and every unit owner unless, and to the extent, known by the recipient to be false. The liability

of a recipient who reasonably relies upon the statement must not exceed the amount set forth in any statement furnished pursuant to this section or section 409(1)(b) of this act.

(12) In a cooperative, upon nonpayment of an assessment on a unit, the unit owner may be evicted in the same manner as provided by law in the case of an unlawful holdover by a commercial tenant, and the lien may be foreclosed as provided under this section.

(13) The association's lien may be foreclosed in accordance with (a) and (b) of this subsection.

(a) In a common interest community other than a cooperative, the association's lien may be foreclosed judicially in accordance with chapter 61.12 RCW, subject to any rights of redemption under chapter 6.23 RCW.

(b) The lien may be enforced nonjudicially in the manner set forth in chapter 61.24 RCW for nonjudicial foreclosure of deeds of trust if the declaration: Contains a grant of the common interest community in trust to a trustee qualified under RCW 61.24.010 to secure the obligations of the unit owners to the association for the payment of assessments, contains a power of sale, provides in its terms that the units are not used principally for agricultural purposes, and provides that the power of sale is operative in the case of a default in the obligation to pay assessments. The association or its authorized representative may purchase the unit at the foreclosure sale and acquire, hold, lease, mortgage, or convey the unit. Upon an express waiver in the complaint of any right to a deficiency judgment in a judicial foreclosure action, the period of redemption is eight months.

(c) In a cooperative in which the unit owners' interests in the units are real estate, the association's lien must be foreclosed in like manner as a mortgage on real estate or by power of sale under (b) of this subsection.

(d) In a cooperative in which the unit owners' interests in the units are personal property, the association's lien must be foreclosed in like manner as a security interest under chapter 62A.9A RCW.

(14) If the unit owner's interest in a unit in a cooperative is real estate, the following requirements apply:

(a) The association, upon nonpayment of assessments and compliance with this subsection, may sell that unit at a public sale or by private negotiation, and at any time and place. The association must give to the unit owner and any lessee of the unit owner reasonable notice in a record of the time, date, and place of any public sale or, if a private sale is intended, of the intention of entering into a contract to sell and of the time and date after which a private conveyance may be made. Such notice must also be sent to any other person that has a recorded interest in the unit that would be cut off by the sale, but only if the recorded interest was on record seven weeks before the date specified in the notice as the date of any public sale or seven weeks before the date specified in the notice as the date after which a private sale may be made. The notices required under this subsection may be sent to any address reasonable in the circumstances. A sale may not be held until five weeks after the sending of the notice. The association may buy at any public sale and, if the sale is conducted by a fiduciary or other person not related to the association, at a private sale.

(b) Unless otherwise agreed to or as stated in this section, the unit owner is liable for any deficiency in a foreclosure sale.

(c) The proceeds of a foreclosure sale must be applied in the following order:

(i) The reasonable expenses of sale;

(ii) The reasonable expenses of securing possession before sale; the reasonable expenses of holding, maintaining, and preparing the unit for sale, including payment of taxes and other governmental charges and premiums on insurance; and, to the extent provided for by agreement between the association and the unit owner, reasonable attorneys' fees, costs, and other legal expenses incurred by the association;

(iii) Satisfaction of the association's lien;

(iv) Satisfaction in the order of priority of any subordinate claim of record; and

(v) Remittance of any excess to the unit owner.

(d) A good-faith purchaser for value acquires the unit free of the association's debt that gave rise to the lien under which the foreclosure sale occurred and any subordinate interest, even though the association or other person conducting the sale failed to comply with this section. The person conducting the sale must execute a conveyance to the purchaser sufficient to convey the unit and stating that it is executed by the person after a foreclosure of the association's lien by power of sale and that the person was empowered to make the sale. Signature and title or authority of the person signing the conveyance as grantor and a recital of the facts of nonpayment of the assessment and of the giving of the notices required under this subsection are sufficient proof of the facts recited and of the authority to sign. Further proof of authority is not required even though the association is named as grantee in the conveyance.

(e) At any time before the association has conveyed a unit in a cooperative or entered into a contract for its conveyance under the power of sale, the unit owners or the holder of any subordinate security interest may cure the unit owner's default and prevent sale or other conveyance by tendering the performance due under the security agreement, including any amounts due because of exercise of a right to accelerate, plus the reasonable expenses of proceeding to foreclosure incurred to the time of tender, including reasonable attorneys' fees and costs of the creditor.

(15) In an action by an association to collect assessments or to foreclose a lien on a unit under this section, the court may appoint a receiver to collect all sums alleged to be due and owing to a unit owner before commencement or during pendency of the action. The receivership is governed under chapter 7.60 RCW. During pendency of the action, the court may order the receiver to pay sums held by the receiver to the association for any assessments against the unit. The exercise of rights under this subsection by the association does not affect the priority of preexisting liens on the unit.

(16) Except as provided in subsection (3) of this section, the holder of a mortgage or other purchaser of a unit who obtains the right of possession of the unit through foreclosure is not liable for assessments or installments of assessments that became due prior to such right of possession. Such unpaid assessments are deemed to be common expenses collectible from all the unit owners, including such mortgagee or other purchaser of the unit. Foreclosure of a mortgage does not relieve the prior unit owner of personal liability for

assessments accruing against the unit prior to the date of such sale as provided in this subsection.

(17) In addition to constituting a lien on the unit, each assessment is the joint and several obligation of the unit owner of the unit to which the same are assessed as of the time the assessment is due. A unit owner may not exempt himself or herself from liability for assessments. In a voluntary conveyance other than by foreclosure, the grantee of a unit is jointly and severally liable with the grantor for all unpaid assessments against the grantor up to the time of the grantor's conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee. Suit to recover a personal judgment for any delinquent assessment is maintainable in any court of competent jurisdiction without foreclosing or waiving the lien securing such sums.

(18) The association may from time to time establish reasonable late charges and a rate of interest to be charged, not to exceed the maximum rate calculated under RCW 19.52.020, on all subsequent delinquent assessments or installments of assessments. If the association does not establish such a rate, delinquent assessments bear interest from the date of delinquency at the maximum rate calculated under RCW 19.52.020 on the date on which the assessments became delinquent.

(19) The association is entitled to recover any costs and reasonable attorneys' fees incurred in connection with the collection of delinquent assessments, whether or not such collection activities result in a suit being commenced or prosecuted to judgment. The prevailing party is also entitled to recover costs and reasonable attorneys' fees in such suits, including any appeals, if it prevails on appeal and in the enforcement of a judgment.

(20) To the extent not inconsistent with this section, the declaration may provide for such additional remedies for collection of assessments as may be permitted by law.

(21) An association may not commence an action to foreclose a lien on a unit under this section unless:

(a) The unit owner, at the time the action is commenced, owes a sum equal to at least three months of common expense assessments; and

(b) The board approves commencement of a foreclosure action specifically against that unit.

(22) Every aspect of a collection, foreclosure, sale, or other conveyance under this section, including the method, advertising, time, date, place, and terms, must be commercially reasonable.

NEW SECTION. Sec. 319. OTHER LIENS. (1) In a condominium, plat community, and miscellaneous community:

(a) Except as otherwise provided in (b) of this subsection, a judgment for money against the association perfected under RCW 4.64.020 is not a lien on the common elements, but is a lien in favor of the judgment lienholder against all of the other real estate of the association and all of the units in the common interest community at the time the judgment was entered. Other property of a unit owner is not subject to the claims of creditors of the association.

(b) If the association has granted a security interest in the common elements to a creditor of the association pursuant to section 314 of this act, the holder of that security interest must exercise its right against the common elements before its judgment lien on any unit may be enforced.

(c) Whether perfected before or after the creation of the common interest community, if a lien, other than a deed of trust or mortgage, including a judgment lien or lien attributable to work performed or materials supplied before creation of the common interest community, becomes effective against two or more units, the unit owner of an affected unit may pay to the lienholder the amount of the lien attributable to the unit, and the lienholder, upon receipt of payment, must promptly deliver a release of the lien covering that unit. The amount of the payment must be proportionate to the ratio that the unit owner's common expense liability bears to the common expense liabilities of all unit owners that are subject to the lien. After payment, the association may not assess or have a lien against that unit owner's unit for any portion of the common expenses incurred in connection with that lien.

(d) A judgment against the association must be recorded and indexed in the name of the common interest community and the association and, when so indexed, is notice of the lien against the units.

(2) In a cooperative:

(a) If the association receives notice of an impending foreclosure on all or any portion of the association's real estate, the association must promptly transmit a copy of that notice to each unit owner of a unit located within the real estate to be foreclosed. Failure of the association to transmit the notice does not affect the validity of the foreclosure.

(b) Whether a unit owner's unit is subject to the claims of the association's creditors, other property of a unit owner is not subject to those claims.

NEW SECTION. Sec. 320. ASSOCIATION RECORDS. (1) An association must retain the following:

(a) The current budget, detailed records of receipts and expenditures affecting the operation and administration of the association, and other appropriate accounting records within the last seven years;

(b) Minutes of all meetings of its unit owners and board other than executive sessions, a record of all actions taken by the unit owners or board without a meeting, and a record of all actions taken by a committee in place of the board on behalf of the association;

(c) The names of current unit owners, addresses used by the association to communicate with them, and the number of votes allocated to each unit;

(d) Its original or restated declaration, organizational documents, all amendments to the declaration and organizational documents, and all rules currently in effect;

(e) All financial statements and tax returns of the association for the past seven years;

(f) A list of the names and addresses of its current board members and officers;

(g) Its most recent annual report delivered to the secretary of state, if any;

(h) Financial and other records sufficiently detailed to enable the association to comply with section 409 of this act;

(i) Copies of contracts to which it is or was a party within the last seven years;

(j) Materials relied upon by the board or any committee to approve or deny any requests for design or architectural approval for a period of seven years after the decision is made;

(k) Materials relied upon by the board or any committee concerning a decision to enforce the governing documents for a period of seven years after the decision is made;

(l) Copies of insurance policies under which the association is a named insured;

(m) Any current warranties provided to the association;

(n) Copies of all notices provided to unit owners or the association in accordance with this chapter or the governing documents; and

(o) Ballots, proxies, absentee ballots, and other records related to voting by unit owners for one year after the election, action, or vote to which they relate.

(2) Subject to subsections (3) and (4) of this section, all records required to be retained by an association must be made available for examination and copying by all unit owners, holders of mortgages on the units, and their respective authorized agents as follows, unless agreed otherwise:

(a) During reasonable business hours or at a mutually convenient time and location; and

(b) At the offices of the association or its managing agent.

(3) Records retained by an association may be withheld from inspection and copying to the extent that they concern:

(a) Personnel and medical records relating to specific individuals;

(b) Contracts, leases, and other commercial transactions to purchase or provide goods or services currently being negotiated;

(c) Existing or potential litigation or mediation, arbitration, or administrative proceedings;

(d) Existing or potential matters involving federal, state, or local administrative or other formal proceedings before a governmental tribunal for enforcement of the governing documents;

(e) Legal advice or communications that are otherwise protected by the attorney-client privilege or the attorney work product doctrine, including communications with the managing agent or other agent of the association;

(f) Information the disclosure of which would violate a court order or law;

(g) Records of an executive session of the board;

(h) Individual unit files other than those of the requesting unit owner;

(i) Unlisted telephone number or electronic address of any unit owner or resident;

(j) Security access information provided to the association for emergency purposes; or

(k) Agreements that for good cause prohibit disclosure to the members.

(4) An association may charge a reasonable fee for producing and providing copies of any records under this section and for supervising the unit owner's inspection.

(5) A right to copy records under this section includes the right to receive copies by photocopying or other means, including through an electronic transmission if available upon request by the unit owner.

(6) An association is not obligated to compile or synthesize information.

(7) Information provided pursuant to this section may not be used for commercial purposes.

(8) An association's managing agent must deliver all of the association's original books and records to the association immediately upon termination of

its management relationship with the association, or upon such other demand as is made by the board. An association managing agent may keep copies of the association records at its own expense.

NEW SECTION. Sec. 321. ASSOCIATION AS TRUSTEE. With respect to a third person dealing with the association in the association's capacity as a trustee, the existence of trust powers and their proper exercise by the association may be assumed without inquiry. A third person is not bound to inquire whether the association has power to act as trustee or is properly exercising trust powers. A third person, without actual knowledge that the association is exceeding or improperly exercising its powers, is fully protected in dealing with the association as if it possessed and properly exercised the powers it purports to exercise. A third person is not bound to assure the proper application of trust assets paid or delivered to the association in its capacity as trustee.

NEW SECTION. Sec. 322. RULES. (1) Unless the declaration provides otherwise, the board must, before adopting, amending, or repealing any rule, give all unit owners notice of:

(a) Its intention to adopt, amend, or repeal a rule and provide the text of the rule or the proposed change; and

(b) A date on which the board will act on the proposed rule or amendment after considering comments from unit owners.

(2) Following adoption, amendment, or repeal of a rule, the association must give notice to the unit owners of its action and provide a copy of any new or revised rule.

(3) If the declaration so provides, an association may adopt rules to establish and enforce construction and design criteria and aesthetic standards and, if so, must adopt procedures for enforcement of those standards and for approval of construction applications, including a reasonable time within which the association must act after an application is submitted and the consequences of its failure to act.

(4) An association's internal business operating procedures need not be adopted as rules.

(5) Every rule must be reasonable.

NEW SECTION. Sec. 323. SPECIFIC LIMITATIONS ON ASSOCIATION'S REGULATORY AUTHORITY. (1) An association may not prohibit display of the flag of the United States, or the flag of Washington state, on or within a unit or a limited common element, except that an association may adopt reasonable restrictions pertaining to the time, place, or manner of displaying the flag of the United States necessary to protect a substantial interest of the association. For purposes of this section, "flag of the United States" means the flag of the United States as described in 4 U.S.C. Sec. 1 et seq. that is made of fabric, cloth, or paper. "Flag of the United States" does not mean a flag, depiction, or emblem made of lights, paint, roofing, siding, paving materials, flora, or balloons, or of any similar building, landscaping, or decorative components.

(2) The association may not prohibit display of signs regarding candidates for public or association office, or ballot issues, on or within a unit or limited common element, but the association may adopt rules governing the time, place, size, number, and manner of those displays.

(3) The association may not prohibit the installation of a solar energy panel on or within a unit so long as the solar panel:

(a) Meets applicable health and safety standards and requirements imposed by state and local permitting authorities;

(b) If used to heat water, is certified by the solar rating certification corporation or another nationally recognized certification agency. Certification must be for the solar energy panel and for installation; and

(c) If used to produce electricity, meets all applicable safety and performance standards established by the national electric code, the institute of electrical and electronics engineers, accredited testing laboratories, such as underwriters laboratories, and, where applicable, rules of the utilities and transportation commission regarding safety and reliability.

(4) The governing documents may:

(a) Prohibit the visibility of any part of a roof-mounted solar energy panel above the roof line;

(b) Permit the attachment of a solar energy panel to the slope of a roof facing a street only if:

(i) The solar energy panel conforms to the slope of the roof; and

(ii) The top edge of the solar energy panel is parallel to the roof ridge; and

(c) Require:

(i) A solar energy panel frame, a support bracket, or any visible piping or wiring to be painted to coordinate with the roofing material;

(ii) A unit owner or resident to shield a ground-mounted solar energy panel if shielding the panel does not prohibit economic installation of the solar energy panel or degrade the operational performance quality of the solar energy panel by more than ten percent; and

(iii) Unit owners or residents who install solar energy panels to indemnify or reimburse the association or its members for loss or damage caused by the installation, maintenance, or use of a solar energy panel.

(5) The governing documents may include other reasonable rules regarding the placement and manner of a solar energy panel.

(6) For purposes of this section, "solar energy panel" means a panel device or system or combination of panel devices or systems that relies on direct sunlight as an energy source, including a panel device or system or combination of panel devices or systems that collects sunlight for use in:

(a) The heating or cooling of a structure or building;

(b) The heating or pumping of water;

(c) Industrial, commercial, or agricultural processes; or

(d) The generation of electricity.

(7) This section must not be construed to permit installation by a unit owner of a solar panel on or in common elements without approval of the board.

(8) Unit owners may peacefully assemble on the common elements to consider matters related to the common interest community, but the association may adopt rules governing the time, place, and manner of those assemblies.

(9) An association may adopt rules that affect the use or occupancy of or behavior in units that may be used for residential purposes, only to:

(a) Implement a provision of the declaration;

(b) Regulate any behavior in or occupancy of a unit that violates the declaration or adversely affects the use and enjoyment of other units or the common elements by other occupants; and

(c) Restrict the leasing of residential units to the extent those rules are reasonably designed to meet underwriting requirements of institutional lenders that regularly make loans secured by first mortgages on units in comparable common interest communities or that regularly purchase those mortgages.

NEW SECTION. Sec. 324. NOTICE. (1) Notice to the association, board, or any owner or occupant of a unit under this chapter must be provided in the form of a record.

(2) Notice provided in a tangible medium may be transmitted by mail, private carrier, or personal delivery; telegraph or teletype; or telephone, wire, or wireless equipment that transmits a facsimile of the notice.

(a) Notice in a tangible medium to an association may be addressed to the association's registered agent at its registered office, to the association at its principal office shown in its most recent annual report or provided by notice to the unit owners, or to the president or secretary of the association at the address shown in the association's most recent annual report or provided by notice to the unit owners.

(b) Notice in a tangible medium to a unit owner or occupant must be addressed to the unit address unless the unit owner or occupant has requested, in a record delivered to the association, that notices be sent to an alternate address or by other method allowed by this section and the governing documents.

(3) Notice may be provided in an electronic transmission as follows:

(a) Notice to unit owners or board members by electronic transmission is effective only upon unit owners and board members who have consented, in the form of a record, to receive electronically transmitted notices under this chapter and have designated in the consent the address, location, or system to which such notices may be electronically transmitted, provided that such notice otherwise complies with any other requirements of this chapter and applicable law.

(b) Notice to unit owners or board members under this subsection includes material that this chapter or the governing documents requires or permits to accompany the notice.

(c) A unit owner or board member who has consented to receipt of electronically transmitted notices may revoke this consent by delivering a revocation to the association in the form of a record.

(d) The consent of any unit owner or board member is revoked if: The association is unable to electronically transmit two consecutive notices given by the association in accordance with the consent, and this inability becomes known to the secretary of the association or any other person responsible for giving the notice. The inadvertent failure by the association to treat this inability as a revocation does not invalidate any meeting or other action.

(e) Notice to unit owners or board members who have consented to receipt of electronically transmitted notices may be provided by posting the notice on an electronic network and delivering to the unit owner or board member a separate record of the posting, together with comprehensible instructions regarding how to obtain access to the posting on the electronic network.

(f) Notice to an association in an electronic transmission is effective only with respect to an association that has designated in a record an address, location, or system to which the notices may be electronically transmitted.

(4) Notice may be given by any other method reasonably calculated to provide notice to the recipient.

(5) Notice is effective as follows:

(a) Notice provided in a tangible medium is effective as of the date of hand delivery, deposit with the carrier, or when sent by fax.

(b) Notice provided in an electronic transmission is effective as of the date it:

(i) Is electronically transmitted to an address, location, or system designated by the recipient for that purpose; or

(ii) Has been posted on an electronic network and a separate record of the posting has been sent to the recipient containing instructions regarding how to obtain access to the posting on the electronic network.

(6) The ineffectiveness of a good-faith effort to deliver notice by an authorized means does not invalidate action taken at or without a meeting.

(7) If this chapter prescribes different or additional notice requirements for particular circumstances, those requirements govern.

NEW SECTION. Sec. 325. REMOVAL OF OFFICERS AND BOARD MEMBERS. (1) Unit owners present in person, by proxy, or by absentee ballot at any meeting of the unit owners at which a quorum is present may remove any board member and any officer elected by the unit owners, with or without cause, if the number of votes in favor of removal cast by unit owners entitled to vote for election of the board member or officer proposed to be removed is at least the lesser of (a) a majority of the votes in the association held by such unit owners or (b) two-thirds of the votes cast by such unit owners at the meeting, but:

(i) A board member appointed by the declarant may not be removed by a unit owner vote during any period of declarant control;

(ii) A board member appointed under section 305(3) of this act may be removed only by the person that appointed that member; and

(iii) The unit owners may not consider whether to remove a board member or officer at a meeting of the unit owners unless that subject was listed in the notice of the meeting.

(2) At any meeting at which a vote to remove a board member or officer is to be taken, the board member or officer being considered for removal must have a reasonable opportunity to speak before the vote.

(3) At any meeting at which a board member or officer is removed, the unit owners entitled to vote for the board member or officer may immediately elect a successor board member or officer consistent with this chapter.

(4) The board may, without a unit owner vote, remove from the board a board member or officer elected by the unit owners if (a) the board member or officer is delinquent in the payment of assessments more than sixty days and (b) the board member or officer has not cured the delinquency within thirty days after receiving notice of the board's intent to remove the board member or officer. Unless provided otherwise by the governing documents, the board may remove an officer elected by the board at any time, with or without cause. The removal must be recorded in the minutes of the next board meeting.

NEW SECTION. Sec. 326. ADOPTION OF BUDGETS—ASSESSMENTS AND SPECIAL ASSESSMENTS. (1)(a) Within thirty days after adoption of any proposed budget for the common interest community, the board must provide a copy of the budget to all the unit owners and set a date for a meeting of the unit owners to consider ratification of the budget not less than fourteen nor more than fifty days after providing the budget. Unless at that meeting the unit owners of units to which a majority of the votes in the association are allocated or any larger percentage specified in the declaration reject the budget, the budget and the assessments against the units included in the budget are ratified, whether or not a quorum is present.

(b) If the proposed budget is rejected or the required notice is not given, the periodic budget last ratified by the unit owners continues until the unit owners ratify a subsequent budget proposed by the board.

(2) The budget must include:

(a) The projected income to the association by category;

(b) The projected common expenses and those specially allocated expenses that are subject to being budgeted, both by category;

(c) The amount of the assessments per unit and the date the assessments are due;

(d) The current amount of regular assessments budgeted for contribution to the reserve account;

(e) A statement of whether the association has a reserve study that meets the requirements of section 331 of this act and, if so, the extent to which the budget meets or deviates from the recommendations of that reserve study; and

(f) The current deficiency or surplus in reserve funding expressed on a per unit basis.

(3) The board, at any time, may propose a special assessment. The assessment is effective only if the board follows the procedures for ratification of a budget described in subsection (1) of this section and the unit owners do not reject the proposed assessment. The board may provide that the special assessment may be due and payable in installments over any period it determines and may provide a discount for early payment.

NEW SECTION. Sec. 327. FINANCIAL STATEMENTS AND ASSOCIATION FUNDS. (1) The association must prepare, or cause to be prepared, at least annually, a financial statement of the association in accordance with accrual based accounting practices.

(2) The financial statements of associations with annual assessments of fifty thousand dollars or more must be audited at least annually by a certified public accountant. In the case of an association with annual assessments of less than fifty thousand dollars, an annual audit is also required but may be waived annually by unit owners other than the declarant of units to which a majority of the votes in the association are allocated, excluding the votes allocated to units owned by the declarant.

(3) The association must keep all funds of the association in the name of the association with a qualified financial institution. The funds must not be commingled with the funds of any other association or with the funds of any managing agent of the association or any other person, or be kept in any trust account or custodial account in the name of any trustee or custodian.

(4) A managing agent who accepts or receives funds belonging to the association must promptly deposit all such funds into an account maintained by the association as provided in subsection (3) of this section or section 328 of this act, as appropriate.

NEW SECTION. Sec. 328. RESERVE ACCOUNT—ESTABLISHMENT. An association required to obtain a reserve study pursuant to section 330 of this act must establish one or more accounts for the deposit of funds, if any, for the replacement costs of reserve components. Any reserve account must be an income-earning account maintained under the direct control of the board, and the board is responsible for administering the reserve account.

NEW SECTION. Sec. 329. RESERVE ACCOUNT—WITHDRAWALS. (1) The board may withdraw funds from the association's reserve account to pay for unforeseen or unbudgeted costs that are unrelated to replacement costs of the reserve components. Any such withdrawal must be recorded in the minute books of the association. The board must give notice of any such withdrawal to each unit owner and adopt a repayment schedule not to exceed twenty-four months unless the board determines that repayment within twenty-four months would impose an unreasonable burden on the unit owners. The board must provide to unit owners along with the annual budget adopted in accordance with section 326 of this act (a) notice of any such withdrawal, (b) a statement of the current deficiency in reserve funding expressed on a per unit basis, and (c) the repayment plan.

(2) The board may withdraw funds from the reserve account without satisfying the notification of repayment requirements under this section to pay for replacement costs of reserve components not included in the reserve study.

NEW SECTION. Sec. 330. RESERVE STUDY—PREPARATION. (1) Unless exempt under subsection (2) of this section, an association must prepare and update a reserve study in accordance with this chapter. An initial reserve study must be prepared by a reserve study professional and based upon either a reserve study professional's visual site inspection of completed improvements or a review of plans and specifications of or for unbuilt improvements, or both when construction of some but not all of the improvements is complete. An updated reserve study must be prepared annually. An updated reserve study must be prepared at least every third year by a reserve study professional and based upon a visual site inspection conducted by the reserve study professional.

(2) Unless the governing documents require otherwise, subsection (1) of this section does not apply (a) to common interest communities containing units that are restricted in the declaration to nonresidential use, (b) to common interest communities that have only nominal reserve costs, or (c) when the cost of the reserve study or update exceeds ten percent of the association's annual budget.

(3) The governing documents may impose greater requirements on the board.

NEW SECTION. Sec. 331. RESERVE STUDY—CONTENTS. (1) Any reserve study is supplemental to the association's operating and maintenance budget.

(2) A reserve study must include:

(a) A reserve component list, including any reserve component, the replacement cost of which exceeds one percent of the annual budget of the

association, excluding contributions to the reserves for that reserve component. If one of these reserve components is not included in the reserve study, the study must explain the basis for its exclusion. The study must also include quantities and estimates for the useful life of each reserve component, the remaining useful life of each reserve component, and current major replacement costs for each reserve component;

(b) The date of the study and a disclosure as to whether the study meets the requirements of this section;

(c) The following level of reserve study performed:

(i) Level I: Full reserve study funding analysis and plan;

(ii) Level II: Update with visual site inspection; or

(iii) Level III: Update with no visual site inspection;

(d) The association's reserve account balance;

(e) The percentage of the fully funded balance to which the reserve account is funded;

(f) Special assessments already implemented or planned;

(g) Interest and inflation assumptions;

(h) Current reserve account contribution rates for a full funding plan and a baseline funding plan;

(i) A recommended reserve account contribution rate for a full funding plan to achieve one hundred percent fully funded reserves by the end of the thirty-year study period, a recommended reserve account contribution rate for a baseline funding plan to maintain the reserve account balance above zero throughout the thirty-year study period without special assessments, and a reserve account contribution rate recommended by the reserve study professional;

(j) A projected reserve account balance for thirty years based on each funding plan presented in the reserve study;

(k) A disclosure on whether the reserve study was prepared with the assistance of a reserve study professional, and whether the reserve study professional was independent; and

(l) A statement of the amount of any current deficit or surplus in reserve funding expressed on a dollars per unit basis. The amount is calculated by subtracting the association's reserve account balance as of the date of the study from the fully funded balance, and then multiplying the result by the fraction or percentage of the common expenses of the association allocable to each unit; except that if the fraction or percentage of the common expenses of the association allocable vary by unit, the association must calculate any current deficit or surplus in a manner that reflects the variation.

(3) A reserve study must also include the following disclosure:

"This reserve study should be reviewed carefully. It may not include all common and limited common element components that will require major maintenance, repair, or replacement in future years, and may not include regular contributions to a reserve account for the cost of such maintenance, repair, or replacement. The failure to include a component in a reserve study, or to provide contributions to a reserve account for a component, may, under some circumstances, require the association to (1) defer major maintenance, repair, or replacement, (2) increase future reserve contributions, (3) borrow funds to pay

for major maintenance, repair, or replacement, or (4) impose special assessments for the cost of major maintenance, repair, or replacement."

NEW SECTION. Sec. 332. RESERVE STUDY—DEMAND BY UNIT OWNERS—ACTION TO ENFORCE. (1) When more than three years have passed since the date of the last reserve study prepared by a reserve study professional, unit owners of units to which at least twenty percent of the votes in the association are allocated may demand in a record delivered to the board that the cost of a reserve study be included in the next annual budget and that the study be prepared by the end of that budget year. The demand must refer to this section. The board must, upon receipt of the demand, include the cost of a reserve study in the next budget and, if that budget is not rejected by the unit owners pursuant to section 326 of this act, arrange for the preparation of a reserve study.

(2) One or more unit owners may bring an action to enforce the requirements of this section and sections 330 and 331 of this act. In such an action, a court may order specific performance and may award reasonable attorneys' fees and costs to the prevailing party.

(3) A unit owner's duty to pay assessments is not excused because of the association's failure to comply with this section and sections 330 and 331 of this act. A budget ratified by the unit owners pursuant to section 326 of this act is not invalidated because of the association's failure to comply with this section and sections 330 and 331 of this act.

NEW SECTION. Sec. 333. RESERVE STUDY—RESERVE ACCOUNT—IMMUNITY FROM LIABILITY. Except for an award for attorneys' fees and costs under section 332(2) of this act, monetary damages or other liability may not be awarded against or imposed upon the association or its officers or board members, or upon any person who may have provided advice or assistance to the association or its officers or board members, for failure to: Establish or replenish a reserve account, have a current reserve study prepared or updated in accordance with the requirements of this chapter, or make reserve disclosures in accordance with this chapter.

IV. PROTECTION OF PURCHASERS

NEW SECTION. Sec. 401. APPLICABILITY—WAIVER. (1) Sections 402 through 420 of this act apply to all units subject to this chapter, except as provided in subsections (2) and (3) of this section.

(2) Sections 402 through 420 of this act do not apply in the case of:

- (a) A conveyance by gift, devise, or descent;
- (b) A conveyance pursuant to court order;
- (c) A conveyance by a government or governmental agency;
- (d) A conveyance by foreclosure;
- (e) A conveyance of all of the units in a common interest community in a single transaction;
- (f) A conveyance to other than a purchaser;
- (g) An agreement to convey that may be canceled at any time and for any reason by the purchaser without penalty;
- (h) A conveyance of a unit restricted to nonresidential uses, except and to the extent otherwise agreed to in writing by the seller and purchaser of that unit.

(3) Sections 414, 415, 416, 417, 419, and 420 of this act apply only to condominiums created under this chapter, and do not apply to other common interest communities.

NEW SECTION. Sec. 402. LIABILITY FOR PUBLIC OFFERING STATEMENT REQUIREMENTS. (1) Except as provided otherwise in subsection (2) of this section, a declarant required to deliver a public offering statement pursuant to subsection (3) of this section must prepare a public offering statement conforming to the requirements of sections 403, 404, and 405 of this act.

(2) A declarant may transfer responsibility for preparation of all or a part of the public offering statement to a successor declarant or to a dealer who intends to offer units in the condominium.

(3)(a) Any declarant or dealer who offers to convey a unit for the person's own account to a purchaser must provide the purchaser of the unit with a copy of a public offering statement and all material amendments to the public offering statement before conveyance of that unit.

(b) Any agent, attorney, or other person assisting the declarant or dealer in preparing the public offering statement may rely upon information provided by the declarant or dealer without independent investigation. The agent, attorney, or other person is not liable for any material misrepresentation in or omissions of material facts from the public offering statement unless the person had actual knowledge of the misrepresentation or omission at the time the public offering statement was prepared.

(c) The declarant or dealer is liable for any misrepresentation contained in the public offering statement or for any omission of material fact from the public offering statement if the declarant or dealer had actual knowledge of the misrepresentation or omission or, in the exercise of reasonable care, should have known of the misrepresentation or omission.

(4) If a unit is part of a common interest community and is part of any other real estate regime in connection with the sale of which the delivery of a public offering statement is required under the laws of this state, a single public offering statement conforming to the requirements of sections 403, 404, and 405 of this act as those requirements relate to each regime in which the unit is located, and to any other requirements imposed under the laws of this state, may be prepared and delivered in lieu of providing two or more public offering statements.

(5) A declarant is not required to prepare and deliver a public offering statement in connection with the sale of any unit owned by the declarant, or to obtain for or provide to the purchaser a report or statement required under sections 403(1)(oo), 405(1), or 412 of this act, upon the later of:

(a) The termination or expiration of all special declarant rights;

(b) The expiration of all periods within which claims or actions for a breach of warranty arising from defects involving the common elements under section 417 of this act must be filed or commenced, respectively, by the association against the declarant; or

(c) The time when the declarant ceases to meet the definition of a dealer under section 102 of this act.

(6) After the last to occur of any of the events described in subsection (5) of this section, a declarant must deliver to the purchaser of a unit owned by the declarant a resale certificate under section 409(2) of this act together with:

(a) The identification of any real property not in the common interest community that unit owners have a right to use and a description of the terms of such use;

(b) A brief description or a copy of any express construction warranties to be provided to the purchaser;

(c) A statement of any litigation brought by an owners' association, unit owner, or governmental entity in which the declarant or any affiliate of the declarant has been a defendant arising out of the construction, sale, or administration of any common interest community within the state of Washington within the previous five years, together with the results of the litigation, if known;

(d) Whether timesharing is permitted or prohibited, and, if permitted, a statement that the purchaser of a time share unit is entitled to receive the disclosure document required under chapter 64.36 RCW; and

(e) Any other information and cross-references that the declarant believes will be helpful in describing the common interest community to the purchaser, all of which may be included or not included at the option of the declarant.

(7) A declarant is not liable to a purchaser for the failure or delay of the association to provide the resale certificate in a timely manner, but the purchase contract is voidable by the purchaser of a unit sold by the declarant until the resale certificate required under section 409(2) of this act and the information required under subsection (6) of this section have been provided and for five days thereafter or until conveyance, whichever occurs first.

NEW SECTION. Sec. 403. PUBLIC OFFERING STATEMENT—GENERAL PROVISIONS. (1) A public offering statement must contain the following information:

(a) The name and address of the declarant;

(b) The name and address or location of the management company, if any;

(c) The relationship of the management company to the declarant, if any;

(d) The name and address of the common interest community;

(e) A statement whether the common interest community is a condominium, cooperative, plat community, or miscellaneous community;

(f) A list, current as of the date the public offering statement is prepared, of up to the five most recent common interest communities in which at least one unit was sold by the declarant or an affiliate of the declarant within the past five years, including the names of the common interest communities and their addresses;

(g) The nature of the interest being offered for sale;

(h) A general description of the common interest community, including to the extent known to the declarant, the types and number of buildings that the declarant anticipates including in the common interest community and the declarant's schedule of commencement and completion of such buildings and principal common amenities;

(i) The status of construction of the units and common elements, including estimated dates of completion if not completed;

(j) The number of existing units in the common interest community;

(k) Brief descriptions of (i) the existing principal common amenities, (ii) those amenities that will be added to the common interest community, and (iii) those amenities that may be added to the common interest community;

(l) A brief description of the limited common elements, other than those described in section 203 (1)(b) and (3) of this act, that may be allocated to the units being offered for sale;

(m) The identification of any rights of persons other than unit owners to use any of the common elements, and a description of the terms of such use;

(n) The identification of any real property not in the common interest community that unit owners have a right to use and a description of the terms of such use;

(o) Any services the declarant provides or expenses that the declarant pays that are not reflected in the budget, but that the declarant expects may become at any subsequent time a common expense of the association, and the projected common expense attributable to each of those services or expenses;

(p) An estimate of any assessment or payment required by the declaration to be paid by the purchaser of a unit at closing;

(q) A brief description of any liens or monetary encumbrances on the title to the common elements that will not be discharged at closing;

(r) A brief description or a copy of any express construction warranties to be provided to the purchaser;

(s) A statement, as required under RCW 64.35.210, as to whether the units or common elements of the common interest community are covered by a qualified warranty;

(t) If applicable to the common interest community, a statement whether the common interest community contains any multiunit residential building subject to chapter 64.55 RCW and, if so, whether:

(i) The building enclosure has been designed and inspected to the extent required under RCW 64.55.010 through 64.55.090; and

(ii) Any repairs required under RCW 64.55.090 have been made;

(u) A statement of any unsatisfied judgments or pending suits against the association and the status of any pending suits material to the common interest community of which the declarant has actual knowledge;

(v) A statement of any litigation brought by an owners' association, unit owner, or governmental entity in which the declarant or any affiliate of the declarant has been a defendant arising out of the construction, sale, or administration of any common interest community within the previous five years, together with the results of the litigation, if known;

(w) A brief description of:

(i) Any restrictions on use or occupancy of the units contained in the governing documents;

(ii) Any restrictions on the renting or leasing of units by the declarant or other unit owners contained in the governing documents;

(iii) Any rights of first refusal to lease or purchase any unit or any of the common elements contained in the governing documents; and

(iv) Any restriction on the amount for which a unit may be sold or on the amount that may be received by a unit owner on sale;

(x) A description of the insurance coverage provided for the benefit of unit owners;

(y) Any current or expected fees or charges not included in the common expenses to be paid by unit owners for the use of the common elements and other facilities related to the common interest community, together with any fees

or charges not included in the common expenses to be paid by unit owners to any master or other association;

(z) The extent, if any, to which bonds or other assurances from third parties have been provided for completion of all improvements that the declarant is obligated to build pursuant to section 420 of this act;

(aa) In a cooperative, a statement whether the unit owners are entitled, for federal, state, and local income tax purposes, to a pass-through of any deductions for payments made by the association for real estate taxes and interest paid to the holder of a security interest encumbering the cooperative;

(bb) In a cooperative, a statement as to the effect on every unit owner's interest in the cooperative if the association fails to pay real estate taxes or payments due to the holder of a security interest encumbering the cooperative;

(cc) In a leasehold common interest community, a statement whether the expiration or termination of any lease may terminate the common interest community or reduce its size, the recording number of any such lease or a statement of where the complete lease may be inspected, the date on which such lease is scheduled to expire, a description of the real estate subject to such lease, a statement whether the unit owners have a right to redeem the reversion, a statement whether the unit owners have a right to remove any improvements at the expiration or termination of such lease, a statement of any rights of the unit owners to renew such lease, and a reference to the sections of the declaration where such information may be found;

(dd) A summary of, and information on how to obtain a full copy of, any reserve study and a statement as to whether or not it was prepared in accordance with sections 330 and 331 of this act or the governing documents;

(ee) A brief description of any arrangement described in section 123 of this act binding the association;

(ff) The estimated current common expense liability for the units being offered;

(gg) Except for real property taxes, real property assessments and utility liens, any assessments, fees, or other charges known to the declarant and which, if not paid, may constitute a lien against any unit or common elements in favor of any governmental agency;

(hh) A brief description of any parts of the common interest community, other than the owner's unit, which any owner must maintain;

(ii) Whether timesharing is permitted or prohibited, and, if permitted, a statement that the purchaser of a timeshare unit is entitled to receive the disclosure document required under chapter 64.36 RCW;

(jj) If the common interest community is subject to any special declarant rights, the information required under section 404 of this act;

(kk) Any liens on real estate to be conveyed to the association required to be disclosed pursuant to section 411(3)(b) of this act;

(ll) A list of any physical hazards known to the declarant that particularly affect the common interest community or the immediate vicinity in which the common interest community is located and which are not readily ascertainable by the purchaser;

(mm) Any building code violation of which the declarant has actual knowledge and which has not been corrected;

(nn) If the common interest community contains one or more conversion buildings, the information required under sections 405 and 412(6)(a) of this act;

(oo) If the public offering statement is related to conveyance of a unit in a multiunit residential building as defined in RCW 64.55.010, for which the final certificate of occupancy was issued more than sixty calendar months prior to the preparation of the public offering statement either: A copy of a report prepared by an independent, licensed architect or engineer or a statement by the declarant based on such report that describes, to the extent reasonably ascertainable, the present condition of all structural components and mechanical and electrical installations of the conversion buildings material to the use and enjoyment of the conversion buildings;

(pp) Any other information and cross-references that the declarant believes will be helpful in describing the common interest community to the recipients of the public offering statement, all of which may be included or not included at the option of the declarant; and

(qq) A description of any age-related occupancy restrictions affecting the common interest community.

(2) The public offering statement must begin with notices substantially in the following forms and in conspicuous type:

(a) "RIGHT TO CANCEL. (1) You are entitled to receive a copy of this public offering statement and all material amendments to this public offering statement before conveyance of your unit. Under section 408 of this act, you have the right to cancel your contract for the purchase of your unit within seven days after first receiving this public offering statement. If this public offering statement is first provided to you more than seven days before you sign your contract for the purchase of your unit, you have no right to cancel your contract. If this public offering statement is first provided to you seven days or less before you sign your contract for the purchase of your unit, you have the right to cancel, before conveyance of the unit, the executed contract by delivering, no later than the seventh day after first receiving this public offering statement, a notice of cancellation pursuant to section (3) of this notice. If this public offering statement is first provided to you less than seven days before the closing date for the conveyance of your unit, you may, before conveyance of your unit to you, extend the closing date to a date not more than seven days after you first received this public offering statement, so that you may have seven days to cancel your contract for the purchase of your unit.

(2) You have no right to cancel your contract upon receipt of an amendment to this public offering statement; however, this does not eliminate any right to rescind your contract, due to the disclosure of the information in the amendment, that is otherwise available to you under generally applicable contract law.

(3) If you elect to cancel your contract pursuant to this notice, you may do so by hand-delivering notice of cancellation, or by mailing notice of cancellation by prepaid United States mail, to the seller at the address set forth in this public offering statement or at the address of the seller's registered agent for service of process. The date of such notice is the date of receipt, if hand-delivered, or the date of deposit in the United States mail, if mailed. Cancellation is without penalty, and all payments made to the seller by you before cancellation must be refunded promptly."

(b) "OTHER DOCUMENTS CREATING BINDING LEGAL OBLIGATIONS. This public offering statement is a summary of some of the significant aspects of purchasing a unit in this common interest community. The governing documents and the purchase agreement are complex, contain other important information, and create binding legal obligations. You should consider seeking the assistance of legal counsel."

(c) "OTHER REPRESENTATIONS. You may not rely on any statement, promise, model, depiction, or description unless it is (1) contained in the public offering statement delivered to you or (2) made in writing signed by the declarant or dealer or the declarant's or dealer's agent identified in the public offering statement. A statement of opinion, or a commendation of the real estate, its quality, or its value, does not create a warranty, and a statement, promise, model, depiction, or description does not create a warranty if it discloses that it is only proposed, is not representative, or is subject to change."

(d) "MODEL UNITS. Model units are intended to provide you with a general idea of what a finished unit might look like. Units being offered for sale may vary from the model unit in terms of floor plan, fixtures, finishes, and equipment. You are advised to obtain specific information about the unit you are considering purchasing."

(e) "RESERVE STUDY. The association [does] [does not] have a current reserve study. Any reserve study should be reviewed carefully. It may not include all reserve components that will require major maintenance, repair, or replacement in future years, and may not include regular contributions to a reserve account for the cost of such maintenance, repair, or replacement. You may encounter certain risks, including being required to pay as a special assessment your share of expenses for the cost of major maintenance, repair, or replacement of a reserve component, as a result of the failure to: (1) Have a current reserve study or fully funded reserves, (2) include a component in a reserve study, or (3) provide any or sufficient contributions to a reserve account for a component."

(f) "DEPOSITS AND PAYMENTS. Only earnest money and reservation deposits are required to be placed in an escrow or trust account. Any other payments you make to the seller of a unit are at risk and may be lost if the seller defaults."

(g) "CONSTRUCTION DEFECT CLAIMS. Chapter 64.50 RCW contains important requirements you must follow before you may file a lawsuit for defective construction against the seller or builder of your home. Forty-five days before you file your lawsuit, you must deliver to the seller or builder a written notice of any construction conditions you allege are defective and provide your seller or builder the opportunity to make an offer to repair or pay for the defects. You are not obligated to accept any offer made by the builder or seller. There are strict deadlines and procedures under state law, and failure to follow them may affect your ability to file a lawsuit."

(h) "ASSOCIATION INSURANCE. The extent to which association insurance provides coverage for the benefit of unit owners (including furnishings, fixtures, and equipment in a unit) is determined by the provisions of the declaration and the association's insurance policy, which may be modified from time to time. You and your personal insurance agent should read the declaration and the association's policy prior to closing to determine what

insurance is required of the association and unit owners, unit owners' rights and duties, what is and is not covered by the association's policy, and what additional insurance you should obtain."

(i) "QUALIFIED WARRANTY. Your unit [is] [is not] covered by a qualified warranty under chapter 64.35 RCW. "

(3) The public offering statement must include copies of each of the following documents: The declaration; the survey; the organizational documents; the rules and regulations, if any; the current or proposed budget for the association; a dated balance sheet of the association; any inspection and repair report or reports prepared in accordance with the requirements of RCW 64.55.090; and any qualified warranty provided to a purchaser by a declarant together with a history of claims under the qualified warranty. If any of these documents are not in final form, the documents must be marked "draft" and, before closing the sale of a unit, the purchaser must be given notice of any material changes to the draft documents.

(4) A declarant must promptly amend the public offering statement to reflect any material change in the information required under this section.

NEW SECTION. Sec. 404. PUBLIC OFFERING STATEMENT—COMMON INTEREST COMMUNITIES SUBJECT TO DEVELOPMENT RIGHTS. If the declaration provides that a common interest community is subject to any development rights or if the declarant reserves any special declarant rights, the public offering statement must include, in addition to the information required under section 403 of this act:

(1) A statement of all development rights and special declarant rights reserved to the declarant, together with the dates or other circumstances under which such rights must terminate; and

(2) A statement describing how the allocated interests of a unit may be changed by the exercise of any development right.

NEW SECTION. Sec. 405. PUBLIC OFFERING STATEMENT—COMMON INTEREST COMMUNITIES CONTAINING CONVERSION BUILDINGS. (1) A public offering statement for a unit in a conversion building must contain, in addition to the information required under sections 403, 404, and 412(6)(a) of this act:

(a) Either a copy of a report prepared by an independent, licensed architect or engineer or a statement by the declarant based on such report that describes, to the extent reasonably ascertainable, the present condition of all structural components and mechanical and electrical installations material to the use and enjoyment of the common interest community;

(b) A statement by the declarant or dealer of the expected useful life of each item reported on in (a) of this subsection or a statement that no representations are made in that regard;

(c) A copy of any inspection and repair report for the conversion building required under RCW 64.55.090, if applicable;

(d) A list of any outstanding notices of uncured violations of building code or other municipal ordinances and regulations, together with the estimated cost of curing those violations and a statement that such list is not a representation that the conversion building is in compliance with the current building code or other municipal ordinances and regulations;

(e) A statement of the improvements to the conversion building made or contracted for by the declarant or dealer, or affiliate of either, offering the unit for sale; and

(f) The current deficiency or surplus in reserve funding expressed on a per unit basis.

(2) The obligation to provide the information required in subsection (1) of this section as to any particular conversion building ceases on the earlier of (a) the date when all units in the building have been conveyed to persons other than the declarant or a dealer, or any affiliate of the declarant or dealer, or (b) the date set forth in section 402(5) of this act.

NEW SECTION. Sec. 406. PUBLIC OFFERING STATEMENT—USE OF SINGLE DISCLOSURE DOCUMENT. If a unit is offered for sale for which the delivery of a public offering statement or other disclosure document is required under the laws of any state or the United States, a single disclosure document conforming to the requirements of sections 403, 404, and 405 of this act and conforming to any other requirement imposed under such laws may be prepared and delivered in lieu of providing two or more disclosure documents.

NEW SECTION. Sec. 407. PUBLIC OFFERING STATEMENT—CONTRACT OF SALE—RESTRICTION ON INTEREST CONVEYED. In the case of a sale of a unit in which delivery of a public offering statement is required, a contract of sale may be executed unless otherwise prohibited by applicable law, but interest in that unit may not be conveyed until:

(1) The declaration and map that create the common interest community in which that unit is located are recorded pursuant to sections 201(1) and 210(3) of this act; and

(2) In the case of a unit in a building containing that unit or a building comprising that unit, the unit is substantially completed and available for occupancy, and all structural components and mechanical systems of the building containing or comprising that unit are substantially completed, but a declarant or dealer and a purchaser may otherwise specifically agree in writing as to the extent to which the unit will not be substantially completed and available and to which any structural components and mechanical systems will not be substantially completed at the time of conveyance.

NEW SECTION. Sec. 408. PURCHASER'S RIGHT TO CANCEL. (1) The purchaser may cancel a contract for the purchase of the unit within seven days after first receiving the public offering statement. If the public offering statement is first provided to a purchaser more than seven days before execution of a contract for the purchase of a unit, the purchaser does not have the right under this section to cancel the executed contract. If the public offering statement is first provided to a purchaser seven days or less before the purchaser signs a contract for the purchase of a unit, the purchaser, before conveyance of the unit to the purchaser, may cancel the contract by delivering, no later than the seventh day after first receiving the public offering statement, a notice of cancellation, delivered pursuant to subsection (3) of this section. If the public offering statement is first provided to a purchaser less than seven days before the closing date for the conveyance of that unit, the purchaser may, before conveyance of the unit to the purchaser, extend the closing date to a date not

more than seven days after the purchaser first received the public offering statement.

(2) A purchaser does not have the right under this section to cancel a contract upon receipt of an amendment to a public offering statement. This subsection must not be construed to eliminate any right that is otherwise available to the purchaser under generally applicable contract law to rescind the contract due to the disclosure of the information in the amendment.

(3) If a purchaser elects to cancel a contract under subsection (1) of this section, the purchaser may do so by hand-delivering notice of cancellation, or by mailing notice of cancellation by prepaid United States mail, to the declarant at the address set forth in the public offering statement or at the address of the declarant's registered agent for service of process. The date of such notice is the date of receipt of delivery, if hand-delivered, or the date of deposit in the United States mail, if mailed. Cancellation is without penalty, and all payments made to the seller by the purchaser before cancellation must be refunded promptly. There is no liability for failure to deliver any amendment unless such failure would have entitled the purchaser under generally applicable legal principles to cancel the contract for the purchase of the unit had the undisclosed information been evident to the purchaser before the closing of the purchase.

(4) The language of the notice required under section 403(2)(a) of this act must not be construed to modify the rights set forth in this section.

NEW SECTION. Sec. 409. RESALES OF UNITS. (1) Except in the case of a sale when delivery of a public offering statement is required, or unless exempt under section 401(2) of this act, a unit owner must furnish to a purchaser before execution of any contract for sale of a unit, or otherwise before conveyance, a resale certificate, signed by an officer or authorized agent of the association and based on the books and records of the association and the actual knowledge of the person signing the certificate, containing:

(a) A statement disclosing any right of first refusal or other restraint on the free alienability of the unit contained in the declaration;

(b) With respect to the selling unit owner's unit, a statement setting forth the amount of any assessment currently due, any delinquent assessments, and a statement of any special assessments that have been levied and have not been paid even though not yet due;

(c) A statement, which must be current to within forty-five days, of any assessments against any unit in the condominium that are past due over thirty days;

(d) A statement, which must be current to within forty-five days, of any monetary obligation of the association that is past due over thirty days;

(e) A statement of any other fees payable to the association by unit owners;

(f) A statement of any expenditure or anticipated repair or replacement cost reasonably anticipated to be in excess of five percent of the board-approved annual budget of the association, regardless of whether the unit owners are entitled to approve such cost;

(g) A statement whether the association does or does not have a reserve study prepared in accordance with sections 330 and 331 of this act;

(h) The annual financial statement of the association, including the audit report if it has been prepared, for the year immediately preceding the current year;

(i) The most recent balance sheet and revenue and expense statement, if any, of the association;

(j) The current operating budget of the association;

(k) A statement of any unsatisfied judgments against the association and the status of any legal actions in which the association is a party or a claimant as defined in RCW 64.50.010;

(l) A statement describing any insurance coverage carried by the association and contact information for the association's insurance broker or agent;

(m) A statement as to whether the board has given or received notice in a record that any existing uses, occupancies, alterations, or improvements in or to the seller's unit or to the limited common elements allocated to the unit violate any provision of the governing documents;

(n) A statement of the number of units, if any, still owned by the declarant, whether the declarant has transferred control of the association to the unit owners, and the date of such transfer;

(o) A statement as to whether the board has received notice in a record from a governmental agency of any violation of environmental, health, or building codes with respect to the seller's unit, the limited common elements allocated to that unit, or any other portion of the common interest community that has not been cured;

(p) A statement of the remaining term of any leasehold estate affecting the common interest community and the provisions governing any extension or renewal of the leasehold estate;

(q) A statement of any restrictions in the declaration affecting the amount that may be received by a unit owner upon sale;

(r) In a cooperative, an accountant's statement, if any was prepared, as to the deductibility for federal income tax purposes by the unit owner of real estate taxes and interest paid by the association;

(s) A statement describing any pending sale or encumbrance of common elements;

(t) A statement disclosing the effect on the unit to be conveyed of any restrictions on the owner's right to use or occupy the unit or to lease the unit to another person;

(u) A copy of the declaration, the organizational documents, the rules or regulations of the association, the minutes of board meetings and association meetings, except for any information exempt from disclosure under section 320(3) of this act, for the last twelve months, a summary of the current reserve study for the association, and any other information reasonably requested by mortgagees of prospective purchasers of units. Information requested generally by the federal national mortgage association, the federal home loan bank board, the government national mortgage association, the veterans administration, or the department of housing and urban development is deemed reasonable if the information is reasonably available to the association;

(v) A statement whether the units or common elements of the common interest community are covered by a qualified warranty under chapter 64.35 RCW and, if so, a history of claims known to the association as having been made under any such warranty;

(w) A description of any age-related occupancy restrictions affecting the common interest community; and

(x) If the association does not have a reserve study that has been prepared in accordance with sections 330 and 331 of this act or its governing documents, the following disclosure:

"This association does not have a current reserve study. The lack of a current reserve study poses certain risks to you, the purchaser. Insufficient reserves may, under some circumstances, require you to pay on demand as a special assessment your share of common expenses for the cost of major maintenance, repair, or replacement of a common element."

(2) The association, within ten days after a request by a unit owner, and subject to the payment of any fees imposed pursuant to section 302(2)(m) of this act, must furnish a resale certificate signed by an officer or authorized agent of the association and containing the information necessary to enable the unit owner to comply with this section. For the purposes of this chapter, a reasonable charge for the preparation of a resale certificate may not exceed two hundred seventy-five dollars. The association may charge a unit owner a nominal fee not to exceed one hundred dollars for updating a resale certificate within six months of the unit owner's request. A unit owner is not liable to the purchaser for any erroneous information provided by the association and included in the certificate.

(3)(a) A purchaser is not liable for any unpaid assessment or fee greater than the amount set forth in the certificate prepared by the association.

(b) A unit owner is not liable to a purchaser for the failure or delay of the association to provide the certificate in a timely manner, but the purchase contract is voidable by the purchaser until the certificate has been provided and for five days thereafter or until conveyance, whichever occurs first.

NEW SECTION. Sec. 410. ESCROW OF DEPOSITS. Any earnest money deposit, as defined in RCW 64.04.005, or any reservation deposit made in connection with the right to purchase a unit from a person required to deliver a public offering statement pursuant to section 402(3) of this act must be placed in escrow and held in this state in an escrow or trust account designated solely for that purpose by a licensed title insurance company or agent, a licensed attorney, a real estate broker or independent bonded escrow company, or an institution whose accounts are insured by a governmental agency or instrumentality until: (1) Delivered to the declarant at closing, (2) delivered to the declarant because of the purchaser's default under a contract to purchase the unit, (3) refunded to the purchaser, or (4) delivered to a court in connection with the filing of an interpleader action.

NEW SECTION. Sec. 411. RELEASE OF LIENS. (1) In the case of a sale of a unit when delivery of a public offering statement is required pursuant to section 402(3) of this act and subject to subsection (2) of this section, a seller before conveying a unit:

(a) Must record or furnish to the purchaser releases of all liens that encumber:

- (i) In a condominium, that unit and its common element interest; and
- (ii) In a cooperative, plat community, or miscellaneous community, that unit and any limited common elements assigned to that unit; or

(b) Must provide the purchaser of that unit with title insurance from a licensed title insurance company against any lien not released pursuant to (a) of this subsection.

(2) Subsection (1) of this section does not apply to liens that encumber:

(a) Real estate that a declarant has the right to withdraw from the common interest community;

(b) In a condominium, the unit and its common element interest being purchased, but no other unit, if the purchaser expressly agrees in writing to take subject to or assume such lien;

(c) In a cooperative, plat community, or miscellaneous community, the unit and any limited common element allocated to the unit being purchased, but no other unit, if the purchaser expressly agrees in writing to take subject to or assume such lien.

(3) Before conveying real property to the association, the declarant must have that real property released from:

(a) All liens the foreclosure of which would deprive unit owners of any right of access to or easement of support of their units; and

(b) All other liens on that real property unless the public offering statement describes certain real property that may be conveyed subject to liens in specified amounts.

NEW SECTION. Sec. 412. CONVERSION BUILDINGS—TENANT RIGHTS. (1)(a) A declarant or dealer who intends to offer units in a conversion building must give each of the residential tenants and any residential subtenants in possession of a portion of a conversion building notice of the conversion and provide those persons with the public offering statement no later than one hundred twenty days before the tenants and any subtenants in possession are required to vacate. The notice must:

(i) Set forth generally the rights of residential tenants and residential subtenants under this section;

(ii) Be delivered pursuant to notice requirements set forth in RCW 59.12.040;

(iii) Expressly state whether there is a county or city relocation assistance program for residential tenants or residential subtenants of conversion buildings in the jurisdiction in which the property is located. If the county or city does have a relocation assistance program, the following must also be included in the notice:

(A) A summary of the terms and conditions under which relocation assistance is paid; and

(B) Contact information for the city or county relocation assistance program, which must include, at a minimum, a telephone number of the city or county department that administers the relocation assistance program for conversion buildings.

(b) A residential tenant or residential subtenant may not be required to vacate upon less than one hundred twenty days' notice, except by reason of nonpayment of rent, waste, or conduct that disturbs other residential tenants' or residential subtenants' peaceful enjoyment of the premises, or act of unlawful detainer as defined in RCW 59.12.030, and the terms of the tenancy may not be altered during that period except as provided in (c) of this subsection.

(c) At the declarant's option, the declarant may provide all residential tenants and residential subtenants in a single conversion building with an option to terminate their lease or rental agreements without cause or consequence after providing the declarant with thirty days' notice. In such case, residential tenants and residential subtenants continue to have access to relocation assistance under subsection (6)(e)(i) of this section.

(d)(i) Nothing in this subsection (1) waives or repeals RCW 59.18.200(2)(b).

(ii) Failure to give notice as required under this section is a defense to an action for possession.

(e) The city or county in which the property is located may require the declarant to forward a copy of the conversion notice required in this subsection (1) to the appropriately designated department or agency in the city or county for the purpose of maintaining a list of common interest communities containing conversion buildings in the jurisdiction.

(2)(a) For sixty days after delivery or mailing of the notice described in subsection (1) of this section, the person required to give the notice must offer to convey each unit or proposed unit occupied for residential use to the residential tenant or residential subtenant who leases that unit. If a residential tenant or residential subtenant fails to purchase the unit during that sixty-day period, the offeror may offer to dispose of an interest in that unit during the following one hundred eighty days at a price or on terms more favorable to the offeree than the price or terms offered to the residential tenant or residential subtenant only if:

(i) Such offeror, by written notice mailed to the residential tenant's or residential subtenant's last known address, offers to sell an interest in that unit at the more favorable price and terms; and

(ii) Such residential tenant or residential subtenant fails to accept the offer in writing within ten days following the mailing of the offer to the tenant or subtenant.

(b) This subsection (2) does not apply to any unit in a conversion building if that unit will be restricted exclusively to nonresidential use or the boundaries of the converted unit do not substantially conform to the dimensions of the residential unit before conversion.

(3) If a seller, in violation of subsection (2) of this section, conveys a unit to a purchaser for value who has no actual knowledge of the violation, the recording of the deed conveying the unit, or, in a cooperative, the conveyance of the unit, extinguishes any right a residential tenant or residential subtenant may have under subsection (2) of this section to purchase that unit, but does not affect the right of a residential tenant or residential subtenant to recover damages from the seller for a violation of subsection (2) of this section.

(4) If a notice of conversion specifies a date by which a unit or proposed unit must be vacated and otherwise complies with this chapter and chapter 59.18 RCW, the notice also constitutes a notice to vacate specified under chapter 59.18 RCW.

(5) This section does not permit termination of a lease or sublease by a declarant in violation of its terms.

(6) Notwithstanding section 105 of this act, a city or county may by appropriate ordinance require with respect to any conversion building within the jurisdiction of the city or county that:

(a) In addition to the statement required under section 405(1)(a) of this act, the public offering statement must contain a copy of a written inspection report of that building prepared by the appropriate department of the city or county listing any violations of the housing code or other governmental regulation that is applicable regardless of whether the real property is owned as a common interest community or in some other form of ownership. The inspection must be made within forty-five days of the declarant's written request, and the report must be issued within fourteen days of the inspection being made. The inspection may not be required with respect to any building for which a final certificate of occupancy has been issued by the city or county within the preceding twenty-four months, and any fee imposed for the making of such inspection may not exceed the fee that would be imposed for the making of such an inspection for a purpose other than complying with this subsection (6)(a).

(b) Prior to the conveyance of any residential unit within a conversion building, other than a conveyance to a declarant or dealer, or affiliate of either:

(i) All violations disclosed in the inspection report provided for in (a) of this subsection, and not otherwise waived by the city or county, must be repaired; and

(ii) A certification must be obtained from the city or county that such repairs have been made. The certification must be based on a reinspection to be made within seven days of the declarant's written request and be issued within seven days of the reinspection being made;

(c) The repairs required to be made under (b) of this subsection must be warranted by the declarant against defects due to workmanship or materials for a period of one year following the completion of such repairs;

(d) Prior to the conveyance of any residential unit within a conversion building, other than a conveyance to a declarant or dealer, or affiliate of either:

(i) The declarant must establish and maintain, during the one-year warranty period provided under (c) of this subsection, an account containing a sum equal to ten percent of the actual cost of making the repairs required under (b) of this subsection;

(ii) During the one-year warranty period, the funds in the account must be used exclusively for paying the actual cost of making repairs required, or for otherwise satisfying claims made, under such warranty;

(iii) Following the expiration of the one-year warranty period, any funds remaining in the account must be immediately disbursed to the declarant; and

(iv) The declarant must notify in writing the association and the city or county as to the location of the account and any disbursements from the account;

(e)(i) A declarant must pay relocation assistance, in an amount to be determined by the city or county, which may not exceed a sum equal to three months of the residential tenant's or residential subtenant's rent at the time the conversion notice required under subsection (1) of this section is received, to residential tenants or residential subtenants:

(A) Who do not elect to purchase a unit in the common interest community;

(B) Who are in lawful occupancy for residential purposes of a unit in the conversion building; and

(C) Whose annual household income from all sources, on the date of the notice described in subsection (1) of this section, was less than an amount equal to eighty percent of:

(I) The annual median income for comparably sized households in the standard metropolitan statistical area, as defined and established by the United States department of housing and urban development, in which the conversion building is located; or

(II) If the conversion building is not within a standard metropolitan statistical area, the annual median income for comparably sized households in the state of Washington, as defined and determined by said department.

The household size of a unit must be based on the number of persons actually in lawful occupancy of the unit. The residential tenant or residential subtenant actually in lawful occupancy of the unit is entitled to the relocation assistance. Relocation assistance must be paid on or before the date the residential tenant or residential subtenant vacates and is in addition to any damage deposit or other compensation or refund to which the residential tenant or residential subtenant is otherwise entitled. Unpaid rent or other amounts owed by the residential tenant or residential subtenant to the landlord may be offset against the relocation assistance.

(ii) Elderly residential tenants or residential subtenants and residential tenants or residential subtenants with special needs who otherwise meet the requirements of (e)(i)(A) of this subsection must receive relocation assistance, the greater of:

(A) The sum described in (e)(i) of this subsection; or

(B) The sum of actual relocation expenses of the residential tenant or residential subtenant, up to a maximum of one thousand five hundred dollars in excess of the sum described in (e)(i) of this subsection, which may include costs associated with the physical move, first month's rent, and the security deposit for the dwelling unit to which the residential tenant or residential subtenant is relocating, rent differentials for up to a six-month period, and any other reasonable costs or fees associated with the relocation. Receipts for relocation expenses must be provided to the declarant by eligible residential tenants or residential subtenants, and declarants must provide the relocation assistance to residential tenants or residential subtenants in a timely manner. The city or county may provide additional guidelines for the relocation assistance.

(iii) For the purposes of this subsection (6)(e):

(A) "Elderly" means a person who is at least sixty-five years of age; and

(B) "Special needs" means a chronic mental illness or physical disability, a developmental disability, or other condition affecting cognition, disease, chemical dependency, or a medical condition that is permanent, not reversible or curable, or is long lasting, and severely limits a person's mental or physical capacity for self-care;

(f) Except as authorized under (g) of this subsection, a declarant and any dealer may not begin any construction, remodeling, or repairs to any interior portion of an occupied building that is to become a conversion building during the one hundred twenty-day notice period provided for in subsection (1) of this section unless all residential tenants and residential subtenants who have elected not to purchase a unit in the common interest community and who are in lawful occupancy in the building have vacated the premises. For the purposes of this subsection:

(i) "Construction, remodeling, or repairs" means the work that is done for the purpose of establishing or selling units in a conversion building, and does not

mean the work that is done to maintain the building or lot for the residential use of the existing residential tenants or residential subtenants; and

(ii) "Occupied building" means a stand-alone structure occupied by residential tenants or residential subtenants and does not include other stand-alone buildings located on the property or detached common area facilities; and

(g)(i) If a declarant or dealer has offered existing residential tenants or residential subtenants an option to terminate an existing lease or rental agreement without cause or consequence as authorized under subsection (1)(c) of this section, a declarant and any dealer may begin construction, remodeling, or repairs to interior portions of an occupied building (A) to repair or remodel vacant units to be used as model units, if the repair or remodel is limited to one model for each unit type in the building; (B) to repair or remodel a vacant unit or common element for use as a sales office; or (C) to do both.

(ii) The work performed under this subsection (6)(g) must not violate the residential tenants' or residential subtenants' rights of quiet enjoyment during the one hundred twenty-day notice period.

(7) Violations of any city or county ordinance adopted as authorized under subsection (6) of this section gives rise to such remedies, penalties, and causes of action that may be lawfully imposed by the city or county. Such violations do not invalidate the creation of the common interest community or the conveyance of any interest in the common interest community.

NEW SECTION. Sec. 413. CONVERSION COMMON INTEREST COMMUNITY PROJECT—REPORT. (1) All cities and counties planning under RCW 36.70A.040, which have inspected any conversion buildings or managed the payment of relocation assistance within the jurisdiction within the previous twelve-month period, must report annually to the department of commerce the following information:

(a) The total number of apartment units converted into common interest community units;

(b) The total number of conversion common interest community projects; and

(c) The total number of residential tenants and residential subtenants who receive relocation assistance.

(2) Upon completion of a conversion common interest community project, a city or county may require the declarant to provide the information described in subsection (1)(a) and (c) of this section for the converted common interest community to the appropriately designated department or agency in the city or county for the purpose of complying with subsection (1) of this section.

NEW SECTION. Sec. 414. EXPRESS WARRANTIES OF QUALITY. (1) Subject to subsections (2) and (3) of this section, express warranties made by any declarant or dealer to a purchaser of a unit in a condominium, if relied upon by the purchaser in purchasing the unit, are created as follows:

(a) Any written affirmation of fact or written promise that relates to the unit, its use, or rights appurtenant to the unit or its use, improvements to the condominium that would directly benefit the unit, or the right to use or have the benefit of facilities not located in the condominium creates an express warranty that the unit and related rights and uses will not materially deviate from the affirmation or promise.

(b) Any written description of the physical characteristics of the condominium at the time the purchase agreement is executed, including plans and specifications of or for improvements, creates an express warranty that the condominium will conform to the written description in all material respects.

(c) Any written description of the quantity or extent of the real estate comprising the condominium, including plats or surveys, creates an express warranty that the condominium will conform to the description, subject to customary tolerances.

(d) A written statement that a purchaser may put a unit only to a specified use is an express warranty that the specified use is lawful.

(2) Subject to subsection (3) of this section, neither formal words, such as "warranty" or "guarantee," nor a specific intention to make a warranty are necessary to create an express warranty, but a statement of opinion or a commendation of the real estate, its quality, or its value does not create a warranty, and a statement, promise, model, depiction, or description does not create a warranty if it discloses that it is only proposed, is not representative, or is subject to change.

(3) A purchaser may not rely on any statement, affirmation, promise, model, depiction, or description unless it is contained in the public offering statement delivered to the purchaser or made in a record signed by the declarant or dealer, or the declarant's or dealer's agent identified in the public offering statement.

(4) Any conveyance of a unit transfers to the purchaser all express warranties of quality made by the declarant or dealer.

NEW SECTION. Sec. 415. IMPLIED WARRANTIES OF QUALITY. (1) A declarant and any dealer warrants to a purchaser of a condominium unit that the unit will be in at least as good condition at the earlier of the time of the conveyance or delivery of possession as it was at the time of contracting, except for reasonable wear and tear and damage by casualty or condemnation.

(2) A declarant and any dealer impliedly warrants to a purchaser of a condominium unit that the unit and the common elements in the condominium are suitable for the ordinary uses of real estate of its type and that any improvements made or contracted for by such declarant or dealer will be:

(a) Free from defective materials;

(b) Constructed in accordance with sound engineering and construction standards;

(c) Constructed in a workmanlike manner; and

(d) Constructed in compliance with all laws then applicable to such improvements.

(3) A declarant and any dealer warrants to a purchaser of a condominium unit that may be used for residential use that an existing use, continuation of which is contemplated by the parties, does not violate applicable law at the earlier of the time of conveyance or delivery of possession.

(4) Warranties imposed under this section may be excluded or modified as specified in section 416 of this act.

(5) For purposes of this section, improvements made or contracted for by an affiliate of a declarant are made or contracted for by the declarant.

(6) Any conveyance of a condominium unit transfers to the purchaser all of a declarant's or dealer's implied warranties of quality.

(7)(a) In a proceeding for breach of any of the obligations arising under this section, the plaintiff must show that the alleged breach has adversely affected or will adversely affect the performance of that portion of the unit or common elements alleged to be in breach.

(b) As used in this subsection, an adverse effect must be more than technical and must be significant to a reasonable person. To establish an adverse effect, the person alleging the breach is not required to prove that the breach renders the unit or common element uninhabitable or unfit for its intended purpose.

(8) Proof of breach of any obligation arising under this section is not proof of damages. Damages awarded for a breach of an obligation arising under this section are the reasonable cost of repairs. However, if it is established that the cost of such repairs is clearly disproportionate to the loss in market value caused by the breach, damages are limited to the loss in market value.

NEW SECTION. Sec. 416. EXCLUSION OR MODIFICATION OF IMPLIED WARRANTIES OF QUALITY. (1) Except as limited under subsection (2) of this section with respect to a purchaser of a condominium unit that may be used for residential use, implied warranties of quality under section 415 of this act:

(a) May be excluded or modified by written agreement of the parties; and

(b) Are excluded by written expression of disclaimer, such as "as is," "with all faults," or other language that in common understanding calls the buyer's attention to the exclusion of warranties.

(2) With respect to a purchaser of a condominium unit that may be used for residential use, no disclaimer of implied warranties of quality under section 415 of this act is effective, except that a declarant and any dealer may disclaim liability in an instrument for one or more specified defects or failures to comply with applicable law, if:

(a) The declarant or dealer knows or has reason to believe that the specific defects or failures exist at the time of disclosure;

(b) The disclaimer specifically describes the defects or failures;

(c) The disclaimer includes a statement as to the effect of the defects or failures;

(d) The disclaimer is bold faced, capitalized, underlined, or otherwise set out from surrounding material so as to be conspicuous; and

(e) The disclaimer is signed by the purchaser.

(3) A declarant or dealer may not make an express written warranty of quality that limits the implied warranties of quality made to the purchaser set forth in section 415 of this act.

NEW SECTION. Sec. 417. WARRANTIES OF QUALITY—BREACH—ACTIONS FOR CONSTRUCTION DEFECT CLAIMS. (1) A proceeding for breach of any obligations arising under section 414, 415, or 416 of this act must be commenced within four years after the cause of action accrues. The period for commencing an action for a breach accruing pursuant to subsection (2)(a) of this section does not expire prior to one year after termination of the period of declarant control, if any, under section 304 of this act. Such periods may not be reduced by either oral or written agreement or through the use of contractual claims or notice procedures that require the filing or service of any claim or notice prior to the expiration of the period specified in this section.

(2) Subject to subsection (3) of this section, a cause of action for breach of warranty of quality, regardless of the purchaser's lack of knowledge of the breach, accrues:

(a) As to a unit, the latest of:

(i) The date the unit was conveyed to the purchaser to whom the warranty is first made; or

(ii) The date any portion of the unit that constitutes a building enclosure as defined in RCW 64.55.010(3) was completed; and

(b) As to each common element, at the latest of:

(i) The date the common element was completed;

(ii) The date the common element was added to the condominium; or

(iii) The date the first unit in the condominium was conveyed to a bona fide purchaser.

(3) If a warranty of quality explicitly extends to future performance or duration of any improvement or component of the condominium, the cause of action accrues at the time the breach is discovered or at the end of the period for which the warranty explicitly extends, whichever is earlier.

(4) If a written notice of claim is served under RCW 64.50.020 within the time prescribed for the filing of an action under this chapter, the statutes of limitation in this chapter and any applicable statutes of repose for construction-related claims are tolled until sixty days after the period of time during which the filing of an action is barred under RCW 64.50.020.

NEW SECTION. Sec. 418. EFFECT OF VIOLATIONS ON RIGHTS OF ACTION—ATTORNEYS' FEES. (1) A declarant, association, unit owner, or any other person subject to this chapter may bring an action to enforce a right granted or obligation imposed under this chapter or the governing documents. The court may award reasonable attorneys' fees and costs.

(2) Parties to a dispute arising under this chapter or the governing documents may agree at any time to resolve the dispute by any form of binding or nonbinding alternative dispute resolution.

NEW SECTION. Sec. 419. LABELING OF PROMOTIONAL MATERIAL. Promotional material may not be displayed or delivered to prospective purchasers of a condominium unit that describes or portrays an unbuilt contemplated improvement in the condominium unless the description or portrayal of the improvement in the promotional material is conspicuously labeled or identified either as "MUST BE BUILT" or as "NEED NOT BE BUILT" or words to that effect.

NEW SECTION. Sec. 420. IMPROVEMENTS—DECLARANT'S DUTIES. (1) Except for improvements labeled "NEED NOT BE BUILT" on the map in conformity to section 210(9) of this act, the declarant must complete all improvements depicted on the map or other graphic representation of a condominium, if the map or other graphic representation is contained in the public offering statement or in any promotional material approved or authorized by the declarant with respect to the condominium.

(2) The declarant is subject to liability for the prompt repair and restoration, to a condition compatible with the remainder of the condominium, of any portion of the condominium damaged by the exercise of rights reserved pursuant to or created under sections 211 through 217 of this act.

V. MISCELLANEOUS

Sec. 501. RCW 6.13.080 and 2013 c 23 s 2 are each amended to read as follows:

The homestead exemption is not available against an execution or forced sale in satisfaction of judgments obtained:

(1) On debts secured by mechanic's, laborer's, construction, maritime, automobile repair, material supplier's, or vendor's liens arising out of and against the particular property claimed as a homestead;

(2) On debts secured (a) by security agreements describing as collateral the property that is claimed as a homestead or (b) by mortgages or deeds of trust on the premises that have been executed and acknowledged by both spouses or both domestic partners or by any claimant not married or in a state registered domestic partnership;

(3) On one spouse's or one domestic partner's or the community's debts existing at the time of that spouse's or that domestic partner's bankruptcy filing where (a) bankruptcy is filed by both spouses or both domestic partners within a six-month period, other than in a joint case or a case in which their assets are jointly administered, and (b) the other spouse or other domestic partner exempts property from property of the estate under the bankruptcy exemption provisions of 11 U.S.C. Sec. 522(d);

(4) On debts arising from a lawful court order or decree or administrative order establishing a child support obligation or obligation to pay maintenance;

(5) On debts owing to the state of Washington for recovery of medical assistance correctly paid on behalf of an individual consistent with 42 U.S.C. Sec. 1396p;

(6) On debts secured by ~~((a condominium's or homeowner))~~ an association's lien ~~(- In order for an association to be exempt under this provision, the association must have provided a homeowner with notice that nonpayment of the association's assessment may result in foreclosure of the association lien and that the homestead protection under this chapter shall not apply. An association has complied with this notice requirement by mailing the notice, by first class mail, to the address of the owner's lot or unit. The notice required in this subsection shall be given within thirty days from the date the association learns of a new owner, but in all cases the notice must be given prior to the initiation of a foreclosure. The phrase "learns of a new owner" in this subsection means actual knowledge of the identity of a homeowner acquiring title after June 9, 1988, and does not require that an association affirmatively ascertain the identity of a homeowner. Failure to give the notice specified in this subsection affects an association's lien only for debts accrued up to the time an association complies with the notice provisions under this subsection));~~ or

(7) On debts owed for taxes collected under chapters 82.08, 82.12, and 82.14 RCW but not remitted to the department of revenue.

NEW SECTION. Sec. 502. A new section is added to chapter 59.18 RCW to read as follows:

This chapter does not apply to any proprietary lease as defined in section 102 of this act:

(1) Created after the effective date of this section; or

(2) If the lessor has amended its governing documents to provide that chapter 64.--- RCW (the new chapter created in section 506 of this act) will apply to the common interest community pursuant to section 120 of this act.

NEW SECTION. Sec. 503. A new section is added to chapter 64.32 RCW to read as follows:

This chapter does not apply to common interest communities as defined in section 102 of this act:

(1) Created after the effective date of this section; or

(2) That have amended their governing documents to provide that chapter 64.--- RCW (the new chapter created in section 506 of this act) will apply to the common interest community pursuant to section 120 of this act.

NEW SECTION. Sec. 504. A new section is added to chapter 64.34 RCW to read as follows:

This chapter does not apply to common interest communities as defined in section 102 of this act:

(1) Created after the effective date of this section; or

(2) That have amended their governing documents to provide that chapter 64.--- RCW (the new chapter created in section 506 of this act) will apply to the common interest community pursuant to section 120 of this act.

NEW SECTION. Sec. 505. A new section is added to chapter 64.38 RCW to read as follows:

This chapter does not apply to common interest communities as defined in section 102 of this act:

(1) Created after the effective date of this section; or

(2) That have amended their governing documents to provide that chapter 64.--- RCW (the new chapter created in section 506 of this act) will apply to the common interest community pursuant to section 120 of this act.

NEW SECTION. Sec. 506. Sections 101 through 420 of this act constitute a new chapter in Title 64 RCW.

NEW SECTION. Sec. 507. This act takes effect July 1, 2018.

Passed by the Senate March 6, 2018.

Passed by the House March 1, 2018.

Approved by the Governor March 27, 2018.

Filed in Office of Secretary of State March 29, 2018.

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 2018 session (65th Legislature), chapters 166 through 277, 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 20th day of April, 2018.

A handwritten signature in black ink that reads "K. Kyle Thiessen" with a long horizontal flourish extending to the right.

K. KYLE THIESSEN
Code Reviser