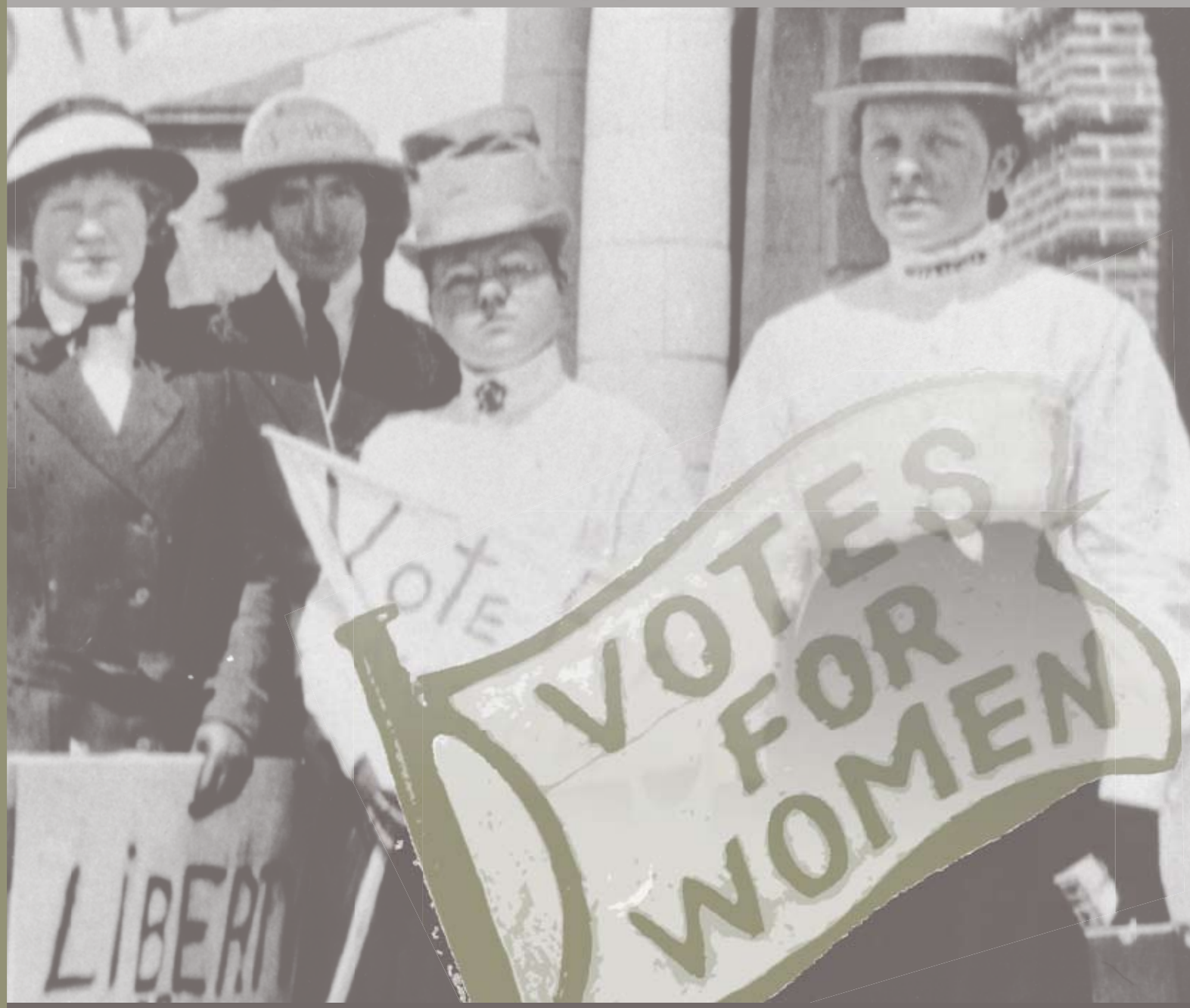
2009 Final Legislative Report

61st Washington State Legislature
2009 Regular Session

Celebrating the 100th Anniversary of Women's Suffrage in Washington



2009 Final Legislative Report
61st Washington State Legislature
2009 Regular Session

This edition of the 2009 Final Legislative Report is available from the:

Legislative Information Center
106 Legislative Building
PO Box 40600
Olympia, WA 98504-0600

In accordance with RCW 42.56.120, this report is available at a fee based on actual reproduction costs. The price is $10 per copy.

The reports for this publication are prepared by non-partisan legislative staff after final passage of bills. The reports are not a part of the legislation and do not constitute statements of legislative intent.

For more detailed information regarding 2009 legislation, contact the:

House Office of Program Research
230 John L. O'Brien Building
PO Box 40600
Olympia, WA 98504-0600
(360) 786-7100

Senate Committee Services
447 John A. Cherburg Building
PO Box 40466
Olympia, WA 98504-0466
(360) 786-7400

This document is printed on recycled paper and is recyclable.

Image credits to: •Whatcom Museum image #1993.66.1 •Washington State Historical Society

Sixty-First
Washington State Legislature
2009 Regular Session

61st Washington State Legislature

This Page Intentionally Left Blank

Table of Contents

61st Washington State Legislature

Statistical Summary

2009 Regular Session of the 61st Legislature

Bills Before Legislature	Introduced	Passed Legislature	Vetoed	Partially Vetoed	Enacted
2009 Regular Session (January 12 - April 26)					
House	1388	313	2	18	311
Senate	1190	270	3	24	267
TOTALS	**2578**	**583**	**5**	**42**	**578**

Initiatives, Joint Memorials, Joint Resolutions and Concurrent Resolutions Before Legislature	Introduced	Filed with the Secretary of State
2009 Regular Session (January 12 - April 26)		
House	39	6
Senate	44	10
TOTALS	**83**	**16**
Initiatives	**3**	**2**

Gubernatorial Appointments	Referred	Confirmed
2009 Regular Session (January 12 - April 26)	**173**	**109**

Historical - Bills Passed Legislature

Ten-Year Average (1999-2008)				Actual			
	Odd Years	Even Years	Biennial	2007	2008	2007-08 Total	2009
House Bills	263	169	432	298	169	467	313
Senate Bills	196	156	352	226	162	388	270
TOTALS	**459**	**325**	**784**	**524**	**331**	**855**	**583**

Section I: Legislation Passed

61st Washington State Legislature

This Page Intentionally Left Blank

Numerical List

HOUSE JOINT MEMORIALS

SENATE BILLS

This Page Intentionally Left Blank

I 1000

C 1 L 09

Death with Dignity Act.

By People of the State of Washington.

Background: Under Washington law, it is a class C felony to knowingly cause or aid another person to attempt suicide. The maximum sentence for a class C felony is confinement in a state correctional institution for ten years, or a fine of $10,000 – or both the confinement and the fine.

Summary: Requirements of Requests for Medication. *Oral requests.* A person wishing to receive a prescription for medication to end his or her life must make two oral requests and a written request. The second oral request must be repeated to the attending physician at least 15 days after making the initial oral request. At the time the second request is made, the attending physician must offer the patient an opportunity to rescind the request.

Written request. A competent resident of Washington State over the age of 18 years who is suffering from a terminal disease and has voluntarily expressed his or her wish to die may submit a written request for medication to be self administered to end his or her life. A terminal disease is defined as an incurable and irreversible disease that has been medically confirmed and, within reasonable medical judgment, will produce death within six months. Neither age nor disability alone constitutes a terminal disease. The form for the written request is specified in the Initiative.

Witnesses. The written request must be witnessed by at least two people who attest that the person making the written request is competent, acting voluntarily, and is not being coerced to sign the request. One of the witnesses may not be (1) a relative by blood, marriage, or adoption of the person making the request; (2) a person who, at the time the request is signed, would be entitled to any of the estate of the person making the request; or (3) an owner, operator, or employee of a health care facility where the person making the request is receiving medical treatment or is a resident. The attending physician of the person making the request may not be a witness. A written request that is made by a patient in a long-term care facility must be witnessed by an individual designated by the facility with the qualifications specified by the Department of Health (DOH).

Responsibilities of Physicians. The attending physician with primary care of a patient making a request for medication to end his or her life must determine whether the patient has a terminal disease, is competent, and is making the request voluntarily. The physician must request that the patient demonstrate Washington State residency. In addition, the attending physician must accomplish the following:

- inform the patient of his or her medical diagnosis and prognosis, the probable risks and result of taking the medication to be prescribed, and feasible alternatives including comfort care, hospice care, and pain control;
- refer the patient to a consulting physician for medical confirmation of the diagnosis and a determination that the patient is competent and acting voluntarily;
- refer the patient for counseling if the attending or consulting physician believes the patient may be suffering from a psychiatric or psychological disorder or depression causing impaired judgment;
- recommend that the patient notify next of kin;
- counsel the patient about the importance of having another person present when the medication prescribed is taken and to not take the medication in a public place;
- inform the patient of the ability to rescind the request for medication at any time and in any manner and offer the patient an opportunity to rescind at the time the second oral request is made;
- verify, immediately before writing the prescription, that the patient is making an informed decision and that all the required steps have been carried out;
- fulfill the medical record documentation as specified in the Initiative; and
- dispense medications directly to the patient or, with the patient's written consent, inform a pharmacist of the prescription with the requirement that it be dispensed directly to the patient, the attending physician, or an expressly identified agent of the patient.

The attending physician may sign the patient's death certificate which must list the terminal disease as the cause of death.

A consulting physician who is qualified by specialty or experience is required to examine the person requesting a prescription for medication to end his or her life and the relevant medical records. The consulting physician must confirm, in writing, that the attending physician's diagnosis of a terminal disease is correct and must verify that the person making the request is competent, acting voluntarily, and making an informed decision.

At least 48 hours must elapse between the date the patient signs the written request for the medication and the date the prescription is written.

Medical Documentation. The medical record of a patient requesting medication to end his or her life must include the following:

- all oral and written requests for medication to end his or her life in a humane and dignified manner;
- the attending physician's diagnosis and prognosis including a determination that the patient is

competent, acting voluntarily, and has made an informed decision;
- the consulting physician's diagnosis and prognosis and verification that the patient is competent, acting voluntarily, and has made an informed decision;
- a report of the outcome and determinations of any counseling performed;
- the attending physician's offer to the patient to rescind his or her request for medication at the time of the second oral request; and
- a notation by the attending physician that all requirements under the Initiative have been met, including the steps that have been taken to carry out the patient's request and a notation of the medication prescribed.

(DOH) Requirements. DOH must annually review all records required to be maintained by the Initiative. Any health care provider who writes a prescription or dispenses medication that a patient will self administer to end his or her life must file a copy of the dispensing record with DOH within 30 days after the writing of the prescription and dispensing of medication. All documents required to be filed with DOH by the prescribing physician after the death of the patient must be mailed to DOH no later than 30 days after the death.

DOH must adopt rules to facilitate the collection of the required information. The information collected is not a public record. DOH must produce and make public an annual statistical report of the information collected regarding compliance with the Initiative.

Effect of Legal Contracts and Other Provisions. Making or rescinding a request for medication to end one's life is not affected by any provision in a contract, will, or other agreement. No obligation owing under a contract may be conditioned or affected by making or rescinding a request by a person for medication to end his or her life. No life, health, or accident insurance or annuity policy may be conditioned upon or affected by making or rescinding a request by a person for medication to end his or her life or the ingesting of such medication by a qualified patient.

Immunities and Liabilities. A person participating in good faith compliance with the provisions of the Initiative may not be subject to civil or criminal liability or professional disciplinary action. Penalties such as censure, discipline, suspension, or loss of license or privileges may not be inflicted on a person participating or refusing to participate in good faith compliance with the Initiative. A request for medication to end one's life or the provision of such medication may not be the sole basis for the appointment of a guardian or a conservator. Only willing health care providers need to participate in providing medication to a person to end his or her life.

A health care provider may prohibit another health care provider from acting in accordance with the Initiative on the prohibiting health care provider's premises if notice of the policy has been given to the pertinent health care providers and to the general public. Sanctions such as loss of privileges or membership may be pursued by the prohibiting health care provider but these actions are not reportable to a disciplining authority.

It is a class A felony to willfully alter or forge a request for medication to end a person's life or conceal or destroy a rescission of that request with the intent or effect of causing the patient's death. It is also a class A felony to coerce or exert undue influence over a patient to request medication to end his or her life, or destroy a rescission of a request.

Costs incurred by a governmental entity due to a person terminating his or her life under the provisions of the Initiative in a public place may be recovered from the estate of the person, including reasonable attorneys' fees.

Fiscal Impact. As required under RCW 29A.72.025, the Office of Financial Management (OFM) has provided an estimate for the cost of the initiative as follows:

DOH is required to create and make public an annual statistical report of information collected. DOH will also adopt rules on the process for collection of this information. Rule-making costs are estimated at $60,000. On-going data collection and reporting costs are estimated at $19,000. Total costs for the 2009-11 biennium are $79,000.

For information on assumptions, see the OFM statement of fiscal impacts (given in total dollars only) at the following website: http://www.ofm.wa.gov/initiatives/1000.asp.

Effective: March 5, 2009

I 1029
C 2 L 09

Long-Term Care Services/Elderly/Persons with Disabilities Act.

By People of the State of Washington.

Background: Long-Term Care Services. Long-term care services, in addition to medical and nursing care, include personal care services such as assistance with dressing, bathing, meals, household tasks, toileting, and moving around.

Long-Term Care Workers. Under the current statute the term "long-term care workers" excludes nurses, nursing assistants, and individuals working in nursing homes, hospitals, hospice, or adult day care. The term "longterm care workers" includes caregivers who provide personal care services in a person's home, or in a licensed boarding home or adult family home, or who provide respite care. Caregivers who provide personal care services in a person's home may work for a home care agency or may work as "individual providers" who contract to work for a specific individual or individuals, including parents of adult

children with developmental disabilities and individuals caring for parents, aunts, grandparents, etc.

Background Check Requirements. Background checks conducted by the Washington State Patrol are currently required for all long-term care workers, including individual providers who serve people in their own homes. Parents who care for their adult children with developmental disabilities are not required to have background checks. For workers employed by state licensed home care agencies, their background check also includes an Federal Bureau of Investigation (FBI) fingerprint background check for convictions in other states, if the worker has lived in Washington for less than three years. The employer, facility, or individual provider pays a fee for the background check.

Training Requirements. The state Department of Health (DOH) regulates the licensure and certification of physicians, nurses, nursing assistants, and other medical professionals. Long-term care workers are not currently required to be registered, but are required to complete basic training and continuing education requirements monitored by the state Department of Social and Health Services (DSHS). These requirements include 34 hours of training completed within the first 120 days of employment, and five hours of orientation prior to providing care. Training for individual providers is done by a variety of contractors, and for other caregivers that is provided generally at their place of employment. Competency testing is required.

Parents who care for adult children with developmental disabilities are exempt from competency tests and must complete six hours of training within 180 days of becoming a paid caregiver.

Disciplinary Actions. Professions licensed or certified by DOH are regulated under the state's Uniform Disciplinary Act. Other long-term care workers are not subject to this Act, but are regulated under licensure standards set up for the agencies they work for, or the contracts they work under.

Amendment of Initiative 1029 (I-1029). I-1029 was amended by ESSB 6180 (C 580 L 09). The legislation delayed implementation of the enhanced background checks and advanced training until January 1, 2012. Basic training and continuing education are delayed until January 1, 2011.

Summary: Beginning January 1, 2011, long-term care workers who care for individuals who are elderly or have disabilities must be certified as "home care aides" within 150 days of being hired. Home care aides must also pass state and federal background checks, and be checked against national sex offender registries. To be certified, long-term care workers must complete 75 hours of training, and pass an exam. Continuing education is required for maintaining certification as a home care aide.

Background Checks. All long-term care workers hired after January 1, 2011, including those exempt from certification such as individual providers caring for their child or parent, must pass state and federal criminal background checks including the FBI fingerprint identification records system and the national sex offenders registry. The state will conduct the background checks and may not pass the cost onto workers or their employers.

Training Requirements. Expanded training requirements for long-term care workers go into effect January 1, 2011.

Long-term care workers must complete the 75 hours of training required for certification within 120 days of being hired. As under current law, before workers can provide any care, they must complete five hours of basic safety training including safety precautions, emergency procedures, and infection control. The remaining 70 hours include "core competencies" such as skin and body care, food preparation, fall prevention, and "population specific competencies" such as dementia and mental health topics relevant to the clients they may be serving. The effective date for these 70 hours is January 1, 2012.

Specific health professionals and others are exempt from the 75 hour training requirement. These professionals include registered nurses, licensed practical nurses, certified nursing assistants, Medicare-certified home health aides, and people already employed as long-term care workers by January 1, 2011.

Parents who care for a developmentally disabled son or daughter must have 12 hours of training within 120 days of becoming a paid caregiver for that child. Individual providers caring for a biological, step, or adoptive child or parent must receive 35 hours of training within 120 hours of becoming a paid provider. Until January 1, 2014, individual providers giving intermittent respite for one person up to 20 hours per month are also required to have 35 hours of training within 120 days; after that time, the 75-hour training requirement applies.

The Department of Health (DOH) will develop the training curriculum with input from consumer and worker representatives. The training curriculum must include comprehensive instruction by qualified instructors on the required competencies and training topics. Qualified instructors may be registered nurses or others with specific knowledge, training and work experience in providing direct, hands-on personal care and other assistance to the elderly and disabled. Individual providers must be compensated for time spent receiving required training. I-1029 does not state who will pay for the actual training.

Long-Term Care Worker Certification & Continuing Education. Long-term care workers employed after January 1, 2011, as individual providers or as employees of home care agencies, adult family homes, or boarding homes must be certified as home care aides within 150 days from the date of hire. Certification as a home care aide requires completion of the training requirements

described above and successful completion of an exam that includes a demonstration of skills and written or oral knowledge. DOH will develop the certification exam in consultation with consumer and worker representatives. Only those long-term care workers who have completed the training may sit for the exam, unless they are specifically exempt from training requirements. I-1029 does not state who will pay for the actual certification.

Registered nurses, licensed practical nurses, certified nursing assistants, Medicare-certified home health aides, certain special education professionals, supported living providers, individual providers caring for a family member who is either a child or a parent, and anyone hired as a long-term care worker before 2011 are exempt from certification. Individual providers providing respite care for one individual for less than 20 hours per month are also exempt from certification until June 30, 2014. Individuals exempt from certification may choose to become certified without fulfilling the training requirements, but they must successfully complete the exam.

A home care aide must annually complete 12 hours of continuing education per year to maintain certification. Those exempt from this requirement include individual providers who only care for their biological or adoptive child. Until June 2014, anyone providing intermittent respite care to an individual for fewer than 20 hours per month is also exempt from continuing education requirements.

DOH must adopt rules establishing procedures to carry out the requirements of home care aide certification by August 1, 2010.

Disciplinary Actions. The state's Uniform Disciplinary Act, which governs the state's health professions, will also govern disciplinary activity related to certified home care aides.

The state must deny payment or terminate the contract of any long-term care worker who works as an individual provider and is not certified as a home care aide. Any state licensed agency or facility that knowingly hires a long-term care worker who is not certified is subject to enforcement action by the state.

Reciprocity. DOH will develop rules by August 1, 2010, addressing reciprocity between home care aide and nursing assistant certification.

Fiscal Impact. The 2009-11 fiscal impact of I-1029, as amended by ESSB 6180 totals $6.1 million general fund state and $14.5 million total funds. Funding is provided in DSHS and DOH.

A minor amount of funding, $123, 000 general-fund state, was provided to DOH in the 2009 Supplemental budget.

Many of the costs associated with I-1029 will be ongoing. The costs will vary depending on the number of workers. In recent years, the population of long-term care workers has been increasing and thus, the costs associated with background checks, training and certification will probably increase.

Effective: March 3, 2009
Modified by ESSB 6180
July 26, 2009
September 1, 2009 (Sec. 16)

HB 1000
C 184 L 09

Extending state route number 397 to Interstate 82.

By Representatives Haler, Klippert and Wood; by request of Transportation Improvement Board.

House Committee on Transportation
Senate Committee on Transportation

Background: Benton County and the Washington State Department of Transportation created a partnership to construct a new rural arterial to connect Interstate 82 and State Route 397. The road, which was completed in October 2008, is about 11 miles long with two 12-foot lanes and six-foot shoulders. This new "intertie road," which is also known as County Road 397, allows industrial and farm-to-market truck traffic to access the Finley and south Kennewick industrial and agricultural areas while bypassing the Tri-Cities area.

The extension of State Route 397 to the intertie road would result in a route jurisdiction transfer; i.e., the jurisdiction of the intertie road would be transferred from Benton County to the state. Since 1991, the Transportation Improvement Board (TIB) has reviewed route jurisdiction transfer requests. If the TIB agrees that the request meets the criteria established in state law, the TIB forwards a recommendation for the transfer to the House and Senate transportation committees.

Summary: State Route 397 is extended to include the 11-mile road currently known as the "Interstate 87 to State Route 397 intertie." Jurisdiction of this road is transferred from Benton County to the state.

Votes on Final Passage:

House	95	0
Senate	45	0

Effective: July 26, 2009

ESHB 1002

PARTIAL VETO

C 288 L 09

Allowing a certificate of discharge to be issued when an existing order excludes or prohibits an offender from having contact with a specified person or business, or coming within a set distance of any specified location.

By House Committee on Judiciary (originally sponsored by Representatives Appleton and Hasegawa).

House Committee on Judiciary
Senate Committee on Human Services & Corrections

Background: When a felony offender has completed all the requirements of his or her sentence, the Secretary of the Department of Corrections or the Secretary's designee notifies the sentencing court. The sentencing court discharges the offender and provides the offender with a certificate of discharge. A certificate of discharge has the effect of:

- restoring all civil rights lost by operation of law, except for the right to bear arms, as the result of conviction; and
- terminating the sentencing court's jurisdiction to enforce the requirements of the sentence.

Among the civil rights restored are the right to vote, serve on a jury, and hold public office.

Engrossed Second Substitute Senate Bill 6400 (E2SSB 6400). In March 2000, domestic violence legislation, E2SSB 6400, was enacted which added a statutory provision affecting certificates of discharge. This provision specifies that the issuance of a certificate of discharge does not terminate the offender's obligation to comply with a domestic violence no-contact order contained in the offender's judgment and sentence.

State v. Miniken. In May 2000, two months after the passage of E2SSB 6400 and a month before its provisions became effective, the Washington Court of Appeals held, in *State v. Miniken*, that a no-contact order issued or extended at sentencing is a requirement of the offender's sentence. In *Miniken*, the defendant was convicted of a non-domestic violence offense and completed his prison sentence. A no-contact order was issued pursuant to his conviction and was the only condition remaining in effect when he requested the sentencing court to issue a certificate of discharge. The Court of Appeals upheld the sentencing court's denial of Miniken's request for a certificate of discharge, finding that a no-contact order is a requirement of sentence and the sentencing court retains jurisdiction until the offender's completion of his or her sentence requirements. The court's decision in *Miniken* establishes that the existence of a valid non-domestic violence no-contact order may prevent the issuance of a certificate of discharge.

The statutory provision enacted in E2SSB 6400 affecting certificates of discharge in cases of domestic violence no-contact orders has yet to be construed by the courts.

Summary: For the purposes of issuing a certificate of discharge, a no-contact order is not a requirement of the offender's sentence. An offender who has completed all the requirements of his or her sentence is eligible for a certificate of discharge, despite the existence of a no-contact order.

In the case of an eligible offender who has a no-contact order as part of the judgment and sentence, the offender may petition the court to issue a certificate of discharge and a separate no-contact order by filing a petition in the sentencing court and paying the appropriate filing fee associated with the petition for the separate no-contact order. The filing fee does not apply to an offender seeking a certificate of discharge when the offender has a no-contact order separate from the judgment and sentence.

The court is required to issue a certificate of discharge and a separate no-contact order if the court determines that the offender has completed all the requirements of his or her sentence. The court is required to reissue the no-contact order separately under a new civil cause number for the remaining term and conditions as the no-contact order contained in the judgment and sentence. The separate no-contact order is not a modification of the offender's sentence.

The court must send a copy of the new no-contact order and an explanation of the reason for the change to the individuals protected by the order. If no address is available, the court must forward a copy of the new order to the prosecutor. The prosecutor must send a copy of the new no-contact order and an explanation of the reason for the change to the last known address of the protected individuals.

When a new no-contact order is issued, the court must forward a copy of the order to the appropriate law enforcement agency specified in the order. Upon receipt of the order, the law enforcement agency must enter the order into any computer-based criminal intelligence information system available and used by law enforcement agencies to list outstanding warrants. The new no-contact order and the case number of the discharged judgment and sentence must be linked in the computer system for purposes of enforcing the order.

Votes on Final Passage:

House	95	0	
Senate	45	0	(Senate amended)
House	96	1	(House concurred)

Effective: July 26, 2009

Partial Veto Summary: The emergency clause is removed.

VETO MESSAGE ON ESHB 1002

April 30, 2009

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

Ladies and Gentlemen:

I am returning herewith, without my approval as to Section 4, Engrossed Substitute House Bill 1002 entitled:

"AN ACT Relating to allowing a certificate of discharge to be issued when an existing order excludes or prohibits an offender from having contact with a specified person or business, or coming within a set distance of any specified location."

Section 4 contains an emergency clause. An emergency clause is to be used where it is necessary for the immediate preservation of the public peace, health or safety or whenever it is essential for the support of state government. I do not believe an emergency clause is needed to implement this legislation.

For this reason, I have vetoed Section 4 of Engrossed Substitute House Bill 1002.

With the exception of Section 4, Engrossed Substitute House Bill 1002 is approved.

Respectfully submitted,

Christine O. Gregoire
Governor

ESHB 1004

C 501 L 09

Adding products to and removing products from the energy efficiency code.

By House Committee on Technology, Energy & Communications (originally sponsored by Representatives Morris, Chase, Morrell, Upthegrove, Hudgins and Moeller).

House Committee on Technology, Energy & Communications
Senate Committee on Environment, Water & Energy

Background: In 2005 legislation was adopted establishing minimum energy efficiency standards and testing procedures for 12 electrical products that were not covered by federal law. The efficiency standards apply to products sold, offered for sale, or installed in the state.

The 12 electrical products were:

- *automatic commercial ice cube machines*, such as those found in motels and restaurants;
- *commercial clothes washers*, such as those found in apartments and coin laundries;
- *commercial pre-rinse spray valves*, such as those used in restaurants to remove food residue from plates prior to their cleaning;
- *commercial refrigerators and freezers*, such as those used in large institutional kitchens;
- *illuminated exit signs*, such as those used in public buildings to mark exit doors;
- *low-voltage dry-type distribution transformers*, which are devices that reduce electrical voltage and are often found in electrical closets of office buildings;
- *metal halide lamp fixtures*, such as those found on the high ceilings of industrial buildings and gymnasiums;
- *single-voltage external AC to DC power supplies*, such as the small boxes attached to power cords that allow battery-operated appliances to use power from electrical outlets;
- *incandescent reflector lamps*, such as the light bulbs that are typically used in "recessed can" lights;
- *torchieres*, which are portable lamps used to provide indirect lighting;
- *traffic signal modules*, which are used in street and highway traffic signals; and
- *commercial space heaters* that use natural gas or propane.

In 2006 legislation removed efficiency standards for the following four products, which had been preempted by federal law: illuminated exit signs, low-voltage dry-type distribution transformers, torchieres, and traffic signal modules. The state's efficiency standards for certain incandescent reflector lamps were changed to conform with proposed California standards.

New products, except commercial ice-makers, single-voltage external AC to DC power supplies, and halide lamps, that are manufactured on or after January 1, 2007, may not be sold if they do not meet or exceed specified energy efficiency standards. The applicable manufacturing date for new ice-makers, single-voltage external AC to DC power supplies, and halide lamps is on or after January 1, 2008.

New products, except commercial ice-makers and metal halide lamp fixtures, that are manufactured on or after January 1, 2007, may not be installed for compensation on or after January 1, 2008, if they do not meet the specified standards. The applicable date for new ice-makers and halide lamps that are manufactured on or after January 1, 2008, is January 1, 2009.

Summary: Minimum efficiency standards and testing methods are established for six categories of electrical products that may be sold, offered, or installed in the state:

- wine chillers sold for use by an individual;
- hot water dispensers and mini-tank electric water heaters;
- bottle-type water dispensers and point-of-use water dispensers;
- pool heaters, pool pump motors, and portable electric spas;
- tub spout diverters and showerhead-tub spout diverters; and
- commercial hot food holding cabinets.

These products, if manufactured on or after January 1, 2010, must meet or exceed the specified efficiency standards in order to be: (1) sold or offered in the state; or (2) installed for compensation in the state after January 1, 2011.

Technical efficiency standards and testing methods for these products are adopted by reference from the California Administrative Code as of the effective date of the act.

Efficiency standards and associated definitions for metal halide lamp fixtures, single-voltage external AC to DC power supplies, commercial clothes washers, commercial pre-rinse spray valves, and unit heaters are removed from state law due to federal preemption.

Votes on Final Passage:

House	76	18	
Senate	38	8	(Senate amended)
House	86	11	(House concurred)

Effective: July 26, 2009

E2SHB 1007

C 65 L 09

Creating a sustainable energy trust.

By House Committee on Capital Budget (originally sponsored by Representatives Morris, Chase, Morrell, Liias, Anderson, Upthegrove, Seaquist, Hudgins and Moeller).

House Committee on Technology, Energy & Communications
House Committee on Capital Budget
Senate Committee on Environment, Water & Energy

Background: The Housing Finance Commission (Commission) was established in 1983 to act as a financial conduit which, without using public funds or lending the credit of the state or local government, can issue revenue bonds and participate in federal, state, and local housing programs. In setting up the Commission, the Legislature sought to make available additional funds at affordable rates to help provide housing throughout the state.

The Commission is authorized to:

- issue bonds;
- invest in, purchase, or make commitments to purchase or take assignments from mortgage lenders of mortgages or mortgage loans;
- make loans to or deposits with mortgage lenders for the purpose of making mortgage loans; and
- participate fully in federal and other governmental programs.

Summary: Sustainable Energy Trust Program. If economically feasible, the Housing Finance Commission (Commission) must develop and implement a Sustainable Energy Trust Program to provide financing for qualified improvement projects. In developing the Sustainable Energy Trust Program, the Commission must establish eligibility criteria for financing that will enable it to choose eligible applicants who are likely to repay loans made or acquired by the Commission and funded from the proceeds of Commission bonds.

The Commission is directed, if economically feasible, to:

- issue bonds for the purpose of financing loans for qualified energy efficiency and renewable energy improvement projects;
- participate fully in federal and other governmental programs and take actions that secure to itself and the people of the state the benefits of programs to promote energy efficiency and renewable energy technologies;
- contract with a certifying authority to accept applications for energy efficiency and renewable energy improvement projects, to review applications, including binding fixed price bids for the improvements, and to approve qualified improvements for financing by the Commission; and
- consult with the Washington State University Energy Extension Program to determine which potential improvement technologies are appropriate, before entering into a contract with a certifying authority that is not the Washington Climate and Rural Energy Development Center.

No State General Fund resources may be expended to implement the Sustainable Energy Trust Program.

Definitions. "Certifying authority" means: (1) for improvements involving solar electric systems, the Washington Climate and Rural Energy Development Center at Washington State University; or (2) for all other energy efficiency and renewable energy improvements, any utility company or other institution qualified to assess and certify the feasibility and benefit of energy efficiency and renewable energy improvements in a manner that is efficient and minimizes the amount of time or cost.

"Eligible applicant" means, with respect to the Sustainable Energy Trust Program, an owner of a residential, agricultural, commercial, state, or municipal property.

"Energy efficiency improvement" means an installation or modification that is designed to reduce energy consumption in residential, agricultural, commercial, state, or municipal properties. The term includes, but is not limited to: insulation; storm windows and doors; automatic energy control systems; heating, ventilating, or air conditioning and distribution system modifications or replacements in buildings or central plants; caulking and weather stripping; energy recovery systems; geothermal heat pumps; and day lighting systems.

"Qualified improvement" means an energy efficiency improvement which has been approved by a certifying authority or a net metering system as defined under the net metering statute.

"Under the net metering system" means a fuel cell, a facility that produces electricity and used and useful thermal energy from a common fuel source, or a facility for the production of electrical energy that generates renewable energy, and that:

- has an electrical generating capacity of not more than 100 kilowatts;
- is located on the customer-generator's premises;
- operates in parallel with the electric utility's transmission and distribution facilities; and
- is intended primarily to offset part or all of the customer-generator's requirements for electricity.

"Renewable energy" is defined under the net metering statute to mean energy generated by a facility that uses water, wind, solar energy, or biogas from animal waste as a fuel.

Votes on Final Passage:

House	85	10
Senate	43	2

Effective: July 26, 2009

SHB 1010

C 132 L 09

Regarding the definition of a biofuel.

By House Committee on Technology, Energy & Communications (originally sponsored by Representatives Morris, Chase and Moeller).

House Committee on Technology, Energy & Communications
Senate Committee on Environment, Water & Energy

Background: Minimum Renewable Fuel Content Requirement. In 2006 minimum renewable fuel content requirements were enacted for biodiesel and ethanol. Beginning on December 1, 2008, certain fuel licensees must provide evidence to the Department of Licensing that at least 2 percent of the total annual diesel and gasoline sold in Washington is biodiesel and ethanol.

Renewable Diesel. There are various technologies that produce products that are considered renewable diesel fuel. While some of these technologies are in commercial production, others are still in the research and development phase. The three primary renewable diesel technologies include: (1) thermal hydrotreating; (2) biomass-to-liquid; and (3) pyrolysis/rapid thermal processing.

Thermal Hydrotreating. Renewable diesel produced using the thermal hydrotreating process can be produced in a petroleum refinery where vegetable oils or animal fats are co-processed with diesel fuel derived from petroleum. The process produces a mixture of hydrocarbons that may meet motor vehicle fuel provisions under the federal Clean Air Act and the American Society of Testing and Materials (ASTM) standard for petroleum diesel (D 975). Existing infrastructure for blending and transporting petroleum fuels may also be used to distribute renewable.

Biomass-to-Liquid. The biomass-to-liquid process of making renewable diesel converts biomass (most often cellulosic material) through high-temperature gasification into synthetic gas, which is a gaseous mixture rich in hydrogen and carbon monoxide. The synthetic gas then may be process to catalytically convert the synthetic gas to liquid fuel. This technology has been applied to coal-to-liquids fuel and natural gas-to-liquids fuel processes.

Pyrolysis/Rapid Thermal Processing. The Pyrolysis/Rapid Thermal Processing technique for producing renewable diesel uses pyrolysis or other thermal conversion process to convert biomass or other carbon-containing material such as municipal solid waste, plastics, and industrial residue, to a bio-oil. This bio-oil is further refined into diesel-like fuel.

Federal Motor Vehicle Fuels Standards. The EPA enforces the motor vehicle fuels provisions of Title II of the Clean Air Act and related regulations. These provisions include certain requirements and prohibitions regarding the quality of motor vehicle fuels, and are designed to greatly reduce harmful emissions from all motor vehicles, including passenger cars, light trucks, and heavy duty trucks.

American Society of Testing and Materials. The ASTM, also known as ASTM International, is a voluntary standards development organization that develops technical standards for materials, products, systems, and services. The ASTM Specification D 975 covers seven grades of diesel fuel suitable for various types of diesel engines.

Summary: Renewable diesel may count towards the renewable fuel content requirements in the Motor Fuel Quality Act.

Renewable diesel is defined as a diesel fuel substitute produced from nonpetroleum renewable sources, including vegetable oils and animal fats, that meets the registration requirements for fuels and fuel additives established by the EPA and meets the requirements of the ASTM specification D 975.

Votes on Final Passage:

House	97	0
Senate	46	0

Effective: July 26, 2009

SHB 1011

PARTIAL VETO

C 66 L 09

Regulating the use of identification devices by governmental and business entities.

By House Committee on Technology, Energy & Communications (originally sponsored by Representatives Morris, Chase, Hasegawa, Kagi, Darneille, Upthegrove, Hudgins and Moeller).

House Committee on Technology, Energy & Communications

Senate Committee on Financial Institutions, Housing & Insurance

Background: Radio Frequency Identification. Radio Frequency Identification (RFID) is a tagging and tracking technology that uses tiny electronic devices, called tags or chips, that are equipped with antennae. Passive RFID chips receive power from the electromagnetic field emitted by a reader in order to send the information contained on the chip to the reader. Active RFID chips have their own power source. Both active and passive RFID chips use radio waves to transmit and receive information.

Readers are devices that also have antennae. These reader-antennae receive information from the tag. The information gathered by the reader can be stored or matched to an existing record in a database. Most RFID chips can be read at a distance and often without the knowledge of the person who carries the item containing the RFID chip. RFIC chips are used in many different applications, including supply chain management, payment devices, identification documents, and asset tracking.

Federal Privacy Laws. Federal law contains a number of protections with respect to individual privacy.

The federal Privacy Act of 1974 protects unauthorized disclosure of certain federal government records pertaining to individuals. It also gives individuals the right to review records about themselves, to find out if these records have been disclosed, and to request corrections or amendments of these records, unless the records are legally exempt. The federal Privacy Act applies to the information gathering practices of the federal government, but does not apply to state or local governments or to the private sector.

In addition to the federal Privacy Act, there are other federal laws that limit how personal information may be disclosed. The Gramm-Leach-Bliley Act (GLBA) requires financial institutions to give their customers privacy notices that explain the financial institution's information collection and sharing practices. Generally, if a financial institution shares a consumer's information, it must give the consumer the ability to "opt-out" and withhold his or her information from being shared.

The Fair Credit Reporting Act (FCRA) generally requires that credit reporting agencies follow reasonable procedures to protect the confidentiality, accuracy, and relevance of credit information. To accomplish this, the FCRA establishes a framework of fair information practices for personal information maintained by credit reporting agencies that includes the right to access and correct data, data security, limitations on use, requirements for data destruction, notice, consent, and accountability. In addition, the Health Insurance Portability and Accountability Act (HIPAA) limits the sharing of individual health and personal information.

There are no federal laws that regulate the collection and processing of personal information gathered through RFID.

Washington's Privacy Laws. The Washington Privacy Act (Act) restricts the interception or recording of private communications or conversations. As a general rule, it is unlawful for any person to intercept or record a private communication or conversation without first obtaining the consent of all parties participating in the communication or conversation. There are some limited exceptions to this general rule that allow the communication or conversation to be intercepted and recorded when only one party consents, or allow it to be intercepted pursuant to a court order.

Certain persons and activities are exempt from the Act, including emergency 911 service and common carriers in connection with services provided pursuant to its tariffs on file with the Washington Utilities and Transportation.

In addition to the Act, Washington law contains a number of provisions with respect to invasions of privacy, including provisions related to identity theft, computer theft, stalking, and skimming crimes.

In 2008 the Legislature passed two laws related to RFID. It is a class C felony to either:

- scan another person's identification device remotely for the purpose of fraud or identity theft, if accomplished without that person's knowledge and consent; or
- read or capture information contained on another person's identification document using radio waves without that person's knowledge or consent.

Summary: A government or business entity is prohibited from remotely reading an identification device using radio frequency identification (RFID) technology, unless the government or business entity, or one of its affiliates, is the same entity that issued the identification device.

This prohibition does not apply to a person remotely reading an identification device for one of the following purposes:

- triage or medical care during a disaster;
- health or safety, if scanned by an emergency responder or health care professional;
- incarceration;
- responding to an accident, if the person is unavailable for notice, knowledge, or consent;
- court-ordered electronic monitoring;

- law enforcement, if conducted pursuant to a search warrant;
- research, if the scanning is conducted in the course of good faith security research, experimentation, or scientific inquiry; and
- inadvertent scanning by a person or entity in the process of operating its own identification device system, if certain conditions are met.

A lost identification device also may be read if the owner is unavailable for notice, knowledge or consent, and the device is read by law enforcement or government personnel.

The unlawful reading of an identification device is a violation of the Consumer Protection Act.

The Office of the Attorney General must report annually to the Legislature on personally invasive technologies that may warrant legislative action.

Votes on Final Passage:

House	96	1
Senate	41	4

Effective: July 26, 2009

Partial Veto Summary: The Governor vetoed the section that required the Attorney General to make annual recommendations to the Legislature with respect to potentially invasive technologies that may warrant further action by the Legislature.

VETO MESSAGE ON SHB 1011

April 13, 2009

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

Ladies and Gentlemen:

I am returning herewith, without my approval as to Section 3, Substitute House Bill 1011 entitled:

"AN ACT Relating to regulating the use of identification devices."

Section 3 places a requirement on the Attorney General to make annual recommendations to the Legislature with respect to potentially invasive technologies which may warrant further action by the Legislature. This requirement is unfunded and will require the Attorney General's Office to divert its scarce financial resources away from other higher priority activities. Additionally, a presumptive label as "personally invasive" may stifle emerging technologies with high potential in the research and commercial fields.

For these reasons, I have vetoed Section 3 of Substitute House Bill No. 1011.

With the exception of Section 3, Substitute House Bill No. 1011 is approved.

Respectfully submitted,

Christine O. Gregoire
Governor

ESHB 1018

C 413 L 09

Modifying when a special election may be held.

By House Committee on State Government & Tribal Affairs (originally sponsored by Representatives Appleton, Herrera, Chandler, Armstrong, Haigh, Newhouse, Hinkle, Green, Sells, Orcutt, Ross, Bailey, Short, Kretz and Condotta).

House Committee on State Government & Tribal Affairs
Senate Committee on Government Operations & Elections

Background: By law, special elections may occur on the following dates:

- the first Tuesday after the first Monday in February;
- the second Tuesday in March;
- the fourth Tuesday in April;
- the third Tuesday in May;
- the day of the August primary; or
- the day of the general election.

In the year of a presidential election, if a presidential preference primary is conducted in February, March, April, or May, the date of the special election in that month must be the date of the presidential primary.

County legislative authorities must submit a resolution calling for a special election to the county auditors 52 days prior to the special election date.

Summary: The special election that may be held on the second Tuesday in March is eliminated. The date of the February special election is changed to the second Tuesday. The special election date in May is restricted to tax levies that failed previously in that calendar year and new bond issues only. After 2011, the May special election date is eliminated.

The requirement that a special election be held on the same date as the presidential preference primary is removed. Resolutions calling for a special election must be submitted to the county auditor 45 days prior to the special election date.

Votes on Final Passage:

House	67	29	
Senate	33	13	(Senate amended)
House			(House refuses to concur)
Senate	37	9	(Senate amended)
House	93	0	(House concurred)

Effective: July 26, 2009
July 1, 2011 (Sections 2 and 4)

2SHB 1021
C 242 L 09

Concerning the department of health's authority in hospitals.

By House Committee on Health & Human Services Appropriations (originally sponsored by Representatives Campbell, Morrell and Moeller).

House Committee on Health Care & Wellness
House Committee on Health & Human Services Appropriations
Senate Committee on Health & Long-Term Care

Background: Hospital Inspections. State agencies, including the Department of Health (DOH), conduct hospital surveys and audits in order to enforce standards and rules required for the safe care and treatment of patients. An audit entails an examination of records or financial accounts to evaluate accuracy and monitor compliance with statutory or regulatory requirements. A survey involves an inspection, examination, or site visit conducted by an agency.

Agencies may be required to give prior notice of an audit or survey unless the agency is responding to a complaint or immediate public health and safety concerns or when such prior notice would conflict with other state or federal law. Any state agency that provides notice of a hospital survey or audit must provide such notice to the hospital no less than four weeks prior to the date of the survey or audit.

Certificates of Need. A critical access hospital (i.e., a hospital serving a medically under-served area) may increase its total number of beds to the total permitted by federal law or redistribute its beds among acute and nursing care without obtaining a certificate of need. The hospital is, however, subject to the certificate of need process if there is a licensed nursing home within 27 miles except for:

- up to five swing beds (i.e., hospital beds used for long-term care) if the nursing home is in the same city or town limits as the hospital; or
- up to 25 swing beds if the nursing home is not within the same city or town limits as the hospital. No more than 12 of the swing beds authorized by this exemption may be designated prior to July 1, 2009. The balance may be designated no sooner than July 1, 2010.

Summary: Hospital Inspections. When the DOH inspects a hospital, the inspection must be conducted on an unannounced basis. The DOH is prohibited from issuing its final report regarding an unannounced inspection until:

- the hospital is given at least two weeks to provide any information or documentation requested by the DOH during the inspection that was not available at the time of the request; and
- at least one person from the DOH conducting the inspection meets personally with the chief administrator or executive officer of the hospital following the inspection, or the chief administrator or executive officer declines such a meeting.

Certificates of Need. The date before which a critical access hospital may designate up to 12 swing beds without being subject to the certificate of need process is changed from July 1, 2009, to July 1, 2010.

Votes on Final Passage:

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

Effective: July 26, 2009

SHB 1022
C 240 L 09

Modifying statutory cost provisions.

By House Committee on Judiciary (originally sponsored by Representatives Williams, Warnick, Kelley, Rodne, Dickerson and Moeller).

House Committee on Judiciary
Senate Committee on Judiciary

Background: Generally, in civil actions, each party is responsible for paying his or her own attorneys' fees and other expenses in the action. However, there are statutes that allow these expenses to be shifted to another party, including statutes that allow a prevailing party to recover his or her "statutory costs."

Statutory costs may include filing fees, service of process fees, reasonable expenses incurred in obtaining records, witness fees, and a statutory attorney fee. The statutory attorney fee is generally $200. However, in district court cases, the prevailing party is not entitled to the statutory attorney fee if the judgment is for less than $50. If the judgment is at least $50 but less than $200, the statutory attorney fee is $125.

A defendant is entitled to costs if, before the action is commenced, the defendant offered to pay the full amount owed to the plaintiff and the plaintiff refused the offer. A defendant is also entitled to costs if, after an action is commenced, the defendant deposits with the court the amount the defendant believes is owed plus costs, and the plaintiff refuses to accept it and subsequently recovers a lesser amount than offered.

"Prevailing party" is defined in different ways for different purposes. For example, in actions involving $10,000 or less, a plaintiff or party seeking relief is deemed a prevailing party when the recovery, excluding costs, is as much as or more than the amount offered in settlement. For actions regarding the enforcement of contract or lease provisions, prevailing party means the party in whose favor final judgment is rendered.

Summary: A plaintiff is the prevailing party and is therefore entitled to costs if, after an action for the recovery of money is commenced, the defendant offers and the plaintiff accepts full or partial payment of the amount sued for, and the plaintiff had given the defendant prior written notice that the defendant could still be liable for costs regardless of full or partial payment. Upon application by the plaintiff who is the prevailing party, the court must enter a judgment for those costs, except those costs that are paid before entry of judgment.

The same provision applies to cases in district court. However, the plaintiff is not entitled to the statutory attorney fee portion of costs unless the amount asked for in the complaint, exclusive of costs, is $50 or more. In a case where the amount asked for is at least $50 but less than $200, the statutory attorney fee is $125.

Nothing prevents a party from demanding, offering, or accepting payment of statutory costs before entry of judgment. The act may not be interpreted to authorize an award of costs if the action is resolved by a negotiated settlement or to limit or bar statutory or judicial cost-shifting provisions.

Votes on Final Passage:

House	97	0
Senate	45	0

Effective: July 26, 2009

2SHB 1025

C 241 L 09

Requiring disclosure of certain information relating to higher education course materials.

By House Committee on Education Appropriations (originally sponsored by Representatives Armstrong, Upthegrove and Wallace).

House Committee on Higher Education
House Committee on Education Appropriations
Senate Committee on Higher Education & Workforce Development

Background: In 2008 a survey of California and Oregon students indicated that, on average, students pay roughly $900 per academic year for course materials. A recent study by the U.S. Government Accountability Office (GAO) found that since 1986, textbook prices have nearly tripled, increasing by 186 percent. The GAO reports that the price of textbooks has increased in recent years largely due to increases in costs associated with new features, such as Web sites and other instructional supplements. Publishers told the GAO they have increased their investments in the development of supplements to meet the demands of a changing postsecondary market.

Keeping current with consumers often entails reissuing editions with modernized text and graphics. According to a study conducted by the Public Interest Research Group, the average release time between textbook editions is 3.8 years. The price of the average new edition was found to be increasing at twice the rate of inflation compared to the previous edition. The survey also found price increases as high as 21 percent between editions, more than three times the rate of inflation.

In some cases, new editions are "bundled" and packaged together with supplemental content like workbooks, DVDs, CD ROMs, or Web-content. According to a study conducted by the Public Interest Research Group, the bundled books surveyed were 10 percent more expensive than their unbundled versions, with examples of price differentials of up to 47 percent. The same survey reported that 50 percent of all bundled books did not have an accompanying unbundled version on the shelf.

Many students are buying both used and new books from sources outside the affiliated campus bookstore. Websites like *Amazon*, *ECampus,* and *Cheapest Textbooks* are increasing in popularity, as is sourcing books from overseas websites, where the prices may be significantly cheaper for new books, though doing so means longer shipping times and no return.

Each of the six public baccalaureate institutions in the state is affiliated with a bookstore. In 2006 legislation was enacted to give students at public four-year institutions more choices when purchasing educational materials and to encourage faculty and staff to work with bookstores and publishers to implement the least costly option to students without sacrificing educational content. In 2007 the Legislature passed House Bill 1224 which added community and technical colleges to the list of schools covered by the 2006 legislation.

In 2008 the U.S. Congress passed the Higher Education Opportunity Act (Act), which amended and extended the Higher Education Act of 1965. The Act included specific provisions regarding text books in three areas. The Act requires:

- publishers to disclose pricing information up-front to faculty;
- publishers to offer textbooks and supplemental materials "unbundled" (separately); and
- institutions, to the maximum extent practicable, to provide the prices and International Standard Book Numbers (ISBNs) of required and recommended textbooks when students register for classes.

Summary: Affiliated bookstores are required to disclose information on required course materials at least four weeks prior to the start of the class for which the materials are required. Course material information includes title, author(s), edition, price, and ISBN. This requirement is waived for faculty who were hired four weeks or less before the start of class and may also be waived on a case-by-case basis by the Chief Academic Officer. Faculty are required to consider open textbooks and collections of digital materials when considering the least costly options for course materials. Faculty and staff are no longer required

to work with publishers to create bundles of course materials if they deliver cost savings to students.

Votes on Final Passage:

House	97	0
Senate	44	0

Effective: July 26, 2009

HB 1030

C 67 L 09

Concerning the exemption of the special commitment center under the public records act.

By Representatives Appleton, Chandler, Hunt, Liias, Angel, Hope, Dammeier and Moeller; by request of Department of Social and Health Services.

House Committee on State Government & Tribal Affairs
Senate Committee on Human Services & Corrections

Background: The Public Records Act (PRA) requires that all state and local government agencies make all public records available for public inspection and copying unless the records fall within certain statutory exemptions. The provisions requiring public records disclosure must be interpreted liberally and the exemptions interpreted narrowly in order to effectuate a general policy favoring disclosure.

The statutory exemptions include portions of records containing specific and unique vulnerability assessments of emergency and escape plans at a city, county, or state juvenile correctional facility. To fall within this exemption, the disclosure must pose a substantial likelihood that the safety of the correctional facility or any individual would be threatened.

Summary: Records containing specific and unique vulnerability assessments of emergency and escape plans at the Special Commitment Center are exempt from the PRA as long as the disclosure of these records would pose a substantial likelihood that, if disclosed, the safety of the correctional facility or any individual would be threatened.

Votes on Final Passage:

House	94	0
Senate	46	0

Effective: July 26, 2009

ESHB 1033

C 243 L 09

Requiring the use of alternatives to lead wheel weights.

By House Committee on Environmental Health (originally sponsored by Representatives Campbell, Morrell, Hudgins, Hunt, Chase, Wood and Dickerson).

House Committee on Environmental Health
Senate Committee on Environment, Water & Energy

Background: Lead wheel weights that fall off vehicles are a source of soil, surface, and ground water contamination. Alternatives to lead wheel weights are available for use and are in use by some auto manufacturers and tire retailers.

Lead is recognized as a substance that is harmful to individuals of all ages. Lead is the subject of a Department of Ecology chemical action plan process. This process develops a comprehensive plan to identify all uses and releases of lead and to recommend actions that will protect human health and the environment.

Summary: Lead wheel weights must be replaced with environmentally preferred wheel weights after January 1, 2011, when tires are replaced or balanced. The duty to replace is on the business that replaces or rebalances the tire. The owner of the vehicle is not subject to this requirement.

Vehicles subject to this requirement are motor vehicles with a wheel diameter of less than 19.5 inches or a gross vehicle weight of 14,000 pounds or less.

Environmentally preferred wheel weights are those that do not use more than 0.5 percent by weight of any chemical, group of chemicals, or metals of concern identified by rule through the process to identify persistent, bioaccumulative toxins (PBT) and metals of concern.

Once a wheel weight is determined by the Department of Ecology (DOE) to no longer be an environmentally preferred wheel weight, it may be used for only two years after the date of determination.

The DOE must notify the affected parties of available environmentally preferred alternatives by October 1, 2010.

Enforcement action must begin with a warning before penalties may be imposed. If compliance is not achieved within a year of a warning, the DOE may assess a penalty. The amount of the first penalty may not exceed $500. Subsequent violations may incur a penalty not to exceed $1,000 for each repeat violation. A violation occurs for each vehicle subject to the provisions of this act. Money from penalties must be deposited in the state Toxics Control Account.

The DOE may adopt rules to implement these requirements.

Votes on Final Passage:

House	66	28	
Senate	29	18	(Senate amended)
House	67	30	(House concurred)

Effective: July 26, 2009

HB 1034
C 34 L 09

Concerning rental or lease of armories.

By Representatives Morrell, Moeller, Kelley, Hurst, Miloscia, Hunt, Appleton and Chase; by request of Washington Military Department.

House Committee on State Government & Tribal Affairs
Senate Committee on Government Operations & Elections

Background: Washington has 26 armories located around the state. Although the armories are primarily for military use, an armory may be rented or used for casual civil purposes and amateur and professional sports and theatricals. Renters must make a payment of fixed rental charges and must comply with the regulations of the Washington State Military Department. The Adjutant General prepares a schedule of rental charges to be charged for the use of an armory by a civilian. Rental charges derived from the armory rentals, less the cleaning deposit, are deposited into the Military Department Rental and Lease Account.

Summary: State-owned armories may be rented or leased for public or private uses, not just casual civil purposes, sports or theatricals. Renters must be charged for the rental based on the schedule of rental charges prepared by the Adjutant General.

Votes on Final Passage:

House	96	0
Senate	47	0

Effective: July 26, 2009

SHB 1036
C 378 L 09

Concerning the Washington code of military justice.

By House Committee on Judiciary (originally sponsored by Representatives Kelley, Morrell, Moeller, Rodne, Seaquist, McCoy, Green, Goodman, Kirby, McCune, Hurst, Miloscia, Hunt, Appleton, Chase, Conway, Williams, Campbell, Ross and Bailey; by request of Washington Military Department).

House Committee on Judiciary
Senate Committee on Government Operations & Elections

Background: The Washington Code of Military Justice (WCMJ) governs the organization, administration, and duties of the state militia, which consist of the Washington State Guard and the Washington National Guard. The Washington National Guard is a component of the U.S. Armed Forces and serves both the Governor under state law and the President under federal law. Unless called into federal service, the Washington National Guard remains under the control of the state and is not subject to the federal Uniform Code of Military Justice. Instead, members of the guard, when not called into federal service, are subject to the WCMJ.

Whether a guard member is subject to the WCMJ depends on whether the member is on "duty status." If the member commits an offense prohibited by the WCMJ while on duty status, the WCMJ applies. "Duty status" means the member is on full-time active duty or inactive duty, which includes weekend drills and periodic training, and travel to and from duty. The offenses in the WCMJ are generally military offenses, such as being absent without leave, disrespecting officers, theft of military property, and breach of the. Offenses such as murder, rape, and assault are excluded from the WCMJ and are left to the state courts.

Serious military offenses are tried by general or special court-martial, which must have a minimum number of members sitting on the court-martial. Less serious offenses are generally handled by summary courts-martial. The different levels of courts-martial may impose different types of punishment. General and special courts-martial may impose punishment that includes fines, forfeiture of pay, dismissal or dishonorable discharge, and reduction in rank. The WCMJ addresses appointing military defense counsel for the accused, pretrial and post trial procedures, and other procedural matters.

Summary: Various changes are made to the WCMJ addressing: (1) when the WCMJ applies to guard members; (2) the authority and procedures of the different courts-martial and the punishments each may impose; (3) new offenses; and (4) other criminal procedures.

Jurisdiction of the WCMJ. The WCMJ applies to members who commit military offenses, whether or not the member is on duty status. Military offenses are those offenses listed under the WCMJ. Nonmilitary offenses are all other offenses not listed in the WCMJ. It is made explicit that the military authority has primary jurisdiction over military offenses. The civilian courts have primary jurisdiction over nonmilitary offenses. If an offense could be both military and nonmilitary, the military may proceed only after the civilian authorities decline to prosecute or dismiss the charge, provided jeopardy has not attached.

Offenses and Punishment. The following offenses are added to the WCMJ: (1) assault of one guard member against another member (except assault in the first degree, which remains under the jurisdiction of civilian courts); and (2) use, possession, or distribution of a controlled

substance in an installation, vessel, vehicle, or aircraft used by or under the control of the military. The offense of drunk driving is amended to specifically use the .08 blood or breath alcohol concentration (BAC) standard.

The fine that a general court-martial may impose is increased from $200 to $300. The amount of pay that may be docked as punishment by a summary court-martial may not be more than one-half month's pay for two months.

Criminal Procedures. While investigating a charged offense, if there is evidence that the accused committed an uncharged offense, the investigating officer may investigate that matter without first charging the offense if certain procedural and due process requirements are met.

The accused may be represented by military counsel of his or her own selection if that counsel is reasonably available, as determined by rules established by the state judge advocate. Defense counsel must assist the accused with submitting documents to the reviewing authorities if there has been a conviction.

Procedures are established for trial counsel and defense counsel exercising challenges for cause and peremptory challenges. If a challenge for cause reduces the court below the minimum number of members required, all parties must either exercise or waive any remaining challenge for cause before additional members are assigned to the court. The parties may exercise one peremptory challenge against the new members of the court who were not previously subject to peremptory challenge.

Who is authorized to convene general and specific courts-martial is specified. A military judge must be a judge advocate and may not be assigned nonlegal duties unless authorized by the state judge advocate. The Adjutant General must establish procedures for certifying, appointing, detailing, and removing military judges.

If charges are dismissed as defective or insufficient for any cause and the statute of limitations has expired or will expire within 180 days after the dismissal date, new charges may be brought if the new charges are: (1) received by the summary court-martial within 180 days after dismissal of the charges; and (2) the charges allege the same acts or omissions that were alleged or included in the dismissed charges.

Notice to Enlisted Members. Provisions of the WCMJ must be explained to newly enlisted members within 40 days, rather than 30 days, of their enlistment and must be explained to the members each time he or she re-enlists or extends enlistment, rather than every year.

Votes on Final Passage:

House	95	0	
Senate	47	0	(Senate amended)
House	97	0	(House concurred)

Effective: July 26, 2009

SHB 1038

C 245 L 09

Regarding specialized forest products.

By House Committee on General Government Appropriations (originally sponsored by Representatives Orcutt, Blake, Kretz, Van De Wege, Warnick, McCune, Pearson, Kristiansen and Kessler).

House Committee on Agriculture & Natural Resources
House Committee on General Government Appropriations
Senate Committee on Natural Resources, Ocean & Recreation

Background: Specialized Forest Products. A specialized forest product (SFP) is generally an item found in the forest with a value other than that found with traditional timber. The term SFP includes native shrubs, cedar products, cedar salvage, processed cedar products, specialty wood, edible mushrooms, and certain barks. Many of these terms are further defined to include items such as certain logs or slabs of cedar, spruce, maple, and alder, along with cedar shakes and fence posts.

A SFP permit, or a true copy of the permit, is required in order to sell wild huckleberries or possess or transport the following:

- a cedar product or cedar salvage;
- specialty wood;
- more than five Christmas trees or native ornamental trees or shrubs;
- more than five pounds of picked foliage or Cascara bark; and
- more than five gallons of a single mushroom species.

The SFP permit must be obtained and validated by a sheriff prior to harvesting or collecting the products, even from one's own land, and is available only from county sheriffs, on forms provided by the Department of Natural Resources (DNR). For cedar and specialty wood, a processor must keep records for one year of any purchase and have a bill of lading available to accompany all cedar or specialty wood products.

Violations of the law on SFPs is punishable as a gross misdemeanor. Violators may face a fine up to $1,000 and/or up to one year in a county jail. In addition, a law enforcement officer with probable cause may seize and take possession of any SFPs found. If the product seized was cedar or specialty wood, the officer may also seize any equipment, vehicles, tools, or paperwork.

An affirmative defense is available to a person being prosecuted under the SFP laws if the SFPs in question were harvested from the defendant's own land or were harvested with the permission of the landowner. The burden of proof rests with the defendant, who must establish the defense by a preponderance of the evidence.

Specialized Forest Products Work Group. The SFP Work Group (Work Group) was established in 2007 to be

staffed by the DNR and to consist of representation from the DNR, county sheriffs, prosecutors, forest landowners, tribes, wood carvers, cedar processors, and other participants invited by the Commissioner of Public Lands. The Work Group was directed to review the SFP statutes and current law dealing with theft, and to make recommendations relating to SFP regulations. The recommendations were to provide tools for law enforcement and protection for landowners. The recommendations had to be clear and not overly burdensome and had to be capable of being administered consistently statewide.

A report from the Work Group, along with recommended legislation, was submitted to the Legislature in December of 2008.

Summary: The chapter of law governing SFPs is substantially reorganized, streamlined, and modernized without changing the original policy of the underlying law. In addition, a number of policy changes are made to reflect the recommendations of the Work Group. In addition to the statutory changes, the DNR and other public entities are directed to administer the elements of the report that do not require statutory authority.

SFP Definitions. The scope of the items that are considered to be SFPs, and thus subject to permitting, is altered. The permitting threshold for cut or picked evergreen foliage is increased from five pounds to 20 pounds. Below this level, an SFP permit is not required. Scotch broom, along with all noxious weeds, is removed from the list of species that qualify as an SFP.

In addition, the definition of specialty wood is changed to red cedar, Englemann spruce, Sitka spruce, and big leaf maple wood that is capable of being cut into a knot-free segment 19 inches long and 7.5 inches wide, with a set minimum thickness. Wood from an alder tree, matching the same dimensions, is also included in the definition of specialty wood.

The definition of cedar products, which a product must meet in order to trigger permitting requirements, is narrowed to include only shakes and bolts, fence posts and rails, logs, and pieces measuring 15 inches or longer. Artistic cedar products and processed cedar products are expressly excluded from the definition.

Common names are provided for the species of huckleberries which must be sold under a permit. Clarification is provided that domestic mushrooms do not qualify as an SFP.

Dual Permitting. A dual permitting system for SFPs is created. Most individuals required to obtain an SFP permit have a choice between obtaining a validated permit or a verifiable permit. A validated permit must be validated by a sheriff's office prior to the harvest or transport of an SFP. A verifiable permit must be obtained before harvest or transport, but does not have to be presented to a law enforcement agency until five days after the harvest or transport of the SFPs. At that time, the verifiable permit must be hand delivered or mailed to the appropriate sheriff's office. Forms for both permit types are to be provided by the DNR. The landowner granting permission to harvest on his or her lands may require the permittee to use only one of the permitting options. However, huckleberry sales can only be conducted with a validated permit.

The forms for validated and verifiable permits require similar information. This information includes the type of SFP to be harvested, the contact information for the harvester and the landowner, a description of landmarks near the harvest site, and the approximate amount of SFPs to be harvested.

In addition, certain information is only required for a verifiable permit, and other information is only required for a validated permit. For instance, validated permit forms must include the parcel number or legal description of the property from where the SFPs will be harvested. Verifiable permit forms must include either the parcel number or the street address, depending on whether the landowner lives on the harvest site and whether the harvest site is less than one acre in size. Verifiable permit forms must also include evidence of ownership from the county assessor and a unique state identification number for both the harvester and the landowner. Validated permits must include a copy of a valid photo identification.

Buyer Responsibilities. The responsibilities of those who purchase SFPs are unified for all the different commodities that are included in the definition of SFP. A distinction is also made between the first buyer of an SFP and all subsequent buyers.

The first SFP buyer is required to record the number of the SFP permit presented by the seller. All SFP buyers are required to record whether the product was accompanied by a bill of lading or other documentation, the type and amount of SFP purchased, the name of the seller, the date of delivery, the name of the person driving the vehicle delivering the SFP, and the license plate number of the vehicle.

All SFP buyers are required to show a master business license at their place of business. (This replaces a requirement that buyers display a tax document no longer available to SFP buyers.)

Exemptions. The exemptions to SFP permitting requirements are expanded. Additional exemptions include specialty wood and evergreen foliage harvested under a valid DNR Forest Practices Application (FPA), harvest and transport of an SFP by a governmental entity or its agent to maintain a right-of-way, and the work of a utility for maintaining its right-of-way.

Individuals using the exemption for harvest conducted concurrently with a valid FPA are required to provide the FPA number in place of an SFP permit in further transactions. Buyers of these products must record the FPA number in lieu of the SFP permit number.

Specialized forest products imported from out-of-state are not subject to permitting requirements as long as the

person with the product has a bill of lading or government-issued documentation from a Canadian province or another state indicating the SFP's origin.

Enforcement-related Provisions. The provisions relating to when and how law enforcement can take SFPs into custody is streamlined and clarified. Custody of SFPs and related items can be taken by law enforcement during an investigation with probable cause that a violation of the SFP permitting laws occurred. If no arrest is made, the detained materials are to be returned.

If an arrest follows the investigation, SFPs and related items may be seized and held during trial. Perishable products may be sold by law enforcement, with the proceeds maintained until after the outcome of the trial.

A new class C felony is created for an individual showing false or stolen documents when selling SFPs. In addition, a presiding court may order a suspension of a person's privilege to obtain an SFP permit after the third conviction of an SFP-related offense.

Outreach and Education Account. The SFP Outreach and Education Account (Account) is created. Monies in the Account can be used by the DNR to develop educational material and outreach to minority groups. As part of educational outreach, the DNR is encouraged to enter into partnerships with both public and private third parties.

The Account receives one-third of any money collected from fines issued for SFP violations or from the final proceeds of any sales of SFP-related products that are confiscated. This money is redirected from the general fund of the county in which the case was prosecuted.

Votes on Final Passage:

House	97	0	
Senate	44	0	(Senate amended)
House	97	0	House concurred)

Effective: July 26, 2009

SHB 1041

C 68 L 09

Authorizing the purchase, storage, and administration of medications by occupational therapists.

By House Committee on Health Care & Wellness (originally sponsored by Representatives Morrell, Warnick, O'Brien, McCune, Liias, Kagi, Kenney and Wallace).

House Committee on Health Care & Wellness
Senate Committee on Health & Long-Term Care

Background: Occupational Therapists. Occupational therapy is the scientifically-based use of purposeful activity that maximizes independence, prevents disability, and maintains the health of individuals who are limited by physical injury or illness, psychosocial dysfunction, developmental or learning disabilities, or the aging process. Examples of the practice of occupational therapy include:

- using specifically-designed activities and exercises to enhance neuro-developmental, cognitive, perceptual motor, sensory integrative, and psychomotor functioning;
- administering and interpreting tests such as manual muscle and sensory integration;
- teaching daily living skills;
- developing pre-vocational skills and play and avocational activities;
- designing, fabricating, or applying selected orthotic and prosthetic devices or selected adaptive equipment; and
- adapting environments for persons with disabilities.

The Purchase, Storage, and Administration of Medications. Certain health professionals are authorized to purchase, store, and administer medications. For example, physical therapists are authorized to purchase, store, and administer medications such as hydrocortisone (an anti-inflammatory), fluocinonide (an anti-inflammatory), topical anesthetics, silver sulfadiazine (used to treat bacterial or fungal infections), lidocaine (a local anesthetic), magnesium sulfate (Epsom salt), zinc oxide (used to treat skin irritations), and other similar medications. A pharmacist who dispenses these drugs to a licensed physical therapist is not liable for any adverse reactions caused by any method of use by the physical therapist.

Summary: Occupational therapists are authorized to purchase, store, and administer topical and transdermal medications such as hydrocortisone, dexamethasone, fluocinonide, topical anesthetics, lidocaine, magnesium sulfate, and other similar medications, as prescribed by a health care provider with prescribing authority. The administration of the medication must be documented in the patient's medical record. Some medications may be applied by the use of iontophoresis or phonophoresis. An occupational therapist may not purchase, store, or administer controlled substances. A pharmacist who dispenses drugs to a licensed occupational therapist is not liable for any adverse reactions caused by any method of use by the occupational therapist.

Votes on Final Passage:

House	95	0
Senate	44	0

Effective: July 26, 2009

HB 1042
C 185 L 09

Concerning notices of dishonor.

By Representatives O'Brien, Warnick, Goodman, Rodne, Kelley and Williams.

House Committee on Judiciary
Senate Committee on Judiciary

Background: Federal and state laws govern collection agencies. Under the Federal Fair Debt Collection Practices Act, a debtor has 30 days to dispute a debt from the date he or she receives a notice of collection. The collection agency may not take certain action within that 30-day period. Under state law, a collection agency sends a debtor a notice of dishonor, and the debtor has 33 days from the date the notice is postmarked or personally delivered before the collection agency may take court action to collect the debt. If court action is taken, the debtor is liable for reasonable attorneys' fees plus three times the face amount of the check or $300, whichever is less. The notice of dishonor must be in a form prescribed in the statutes. The notice specifies for the debtor the fees and costs that may be added and a cautionary statement about other consequences that might occur if the amount is not paid.

Summary: A debtor is presumed to have received the notice of dishonor three days from the date the notice is mailed.

A statement is added to the notice of dishonor form informing the debtor that the amount he or she may be liable for if court action is taken is advisory only and should not be construed to mean that legal action is contemplated or intended.

Votes on Final Passage:

House	95	0
Senate	46	0

Effective: July 26, 2009

HB 1048
C 265 L 09

Repealing provisions addressing the sale, lease, or conveyance of municipal property in commercial areas to private parties for free public parking facilities in cities with populations over three hundred thousand.

By Representatives Simpson, Hudgins, Nelson, Santos, Chase and Kenney.

House Committee on Local Government & Housing
Senate Committee on Government Operations & Elections

Background: Chapter 35.87 of the Revised Code of Washington regulates real estate transactions by certain large municipalities regarding the conveyance of specified types of real property to a private corporation or association established to develop and maintain free public parking facilities. The statutory scheme applies only to those municipalities with populations exceeding 300,000 which, subject to specified requirements, must allow a qualifying corporation or association the first right of purchase or lease with respect to the acquisition of an interest in the property.

The conveyance of the property interest by the municipality is subject to the following terms and requirements:

- the property must be in an area zoned for retail businesses and no longer be used or needed by the municipality;
- in order to be given first priority with respect to acquiring the property, the purchaser must be a private corporation or association established to develop and maintain free public parking facilities and must agree to dedicate the property for free public parking;
- the municipality has complete discretion as to the price, terms, and conditions of sale to a qualifying corporation or association, except that the price may not exceed the fair market value of the property;
- if the property is conveyed to a qualifying corporation or association, the instrument of conveyance must provide that the rights to the property shall revert back to the municipality in the event the property ceases to be used as a free public parking facility;
- fifteen days prior to sale, the municipality must meet specified public notice requirements which include a description of the property and the disclosure of the municipalities intention to sell, lease, or convey an interest in the property; and
- the public notice of sale must state that a qualifying corporation or association shall have the first right of purchase or lease of the property provided the corporation or association agrees to dedicate such property for free public parking.

The statutory provisions set forth in the chapter are not applicable with respect to the sale, lease, or conveyance of property to any federal, state, or municipal entity or agency.

Summary: Chapter 35.87 RCW is repealed in its entirety.

Votes on Final Passage:

House	95	0
Senate	45	0

Effective: July 26, 2009

EHB 1049
C 35 L 09

Concerning veterans' relief.

By Representatives Rolfes, Angel, Kelley, Smith, Conway, Hope, Hunt, Dammeier, Dunshee, Herrera, Seaquist, Armstrong, Moeller, Parker, Van De Wege, Johnson, Simpson, Rodne, Orwall, Haler, Liias, Short, Kirby, Green, Kenney, Goodman, Williams, Dickerson, McCoy, Appleton, Chase, Morrell, Sullivan, Sells, Newhouse, Upthegrove, Kessler, Roach, Wallace, Bailey, Maxwell, McCune, Kretz, Condotta and Campbell; by request of Joint Committee on Veterans' and Military Affairs.

House Committee on State Government & Tribal Affairs
Senate Committee on Government Operations & Elections

Background: The legislative authority of a county with a city, town, or precinct containing qualifying indigent and suffering veterans or family members must provide funds for the relief of these veterans and family members. The legislative authority must consult with and solicit recommendations from the applicable Veterans' Advisory Board to determine the appropriate services needed for local indigent veterans. Veterans' assistance programs must partially be funded by the Veterans' Assistance Fund established in the county through a tax levy.

The statutory definitions of veteran include honorably discharged veterans of wars and armed conflicts, as well as honorably discharged veterans of any branch of the service.

Summary: The definition of "veteran" for purposes of veterans' relief programs is expanded to include current members of the National Guard and Armed Forces Reserves who have been deployed to serve in an armed conflict.

Votes on Final Passage:

House	96	0
Senate	48	0

Effective: July 26, 2009

HB 1050
C 248 L 09

Adjusting veterans' scoring criteria.

By Representatives Kelley, Hope, Rolfes, Johnson, Angel, Dammeier, Conway, Ross, Hunt, Herrera, Smith, Armstrong, Moeller, Parker, Rodne, Haler, Short, Shea, Chase, Morrell, Green, Sullivan, Newhouse, Upthegrove, Campbell, Kristiansen, Van De Wege, Wallace, Simpson, Bailey, Maxwell, McCune and Condotta; by request of Joint Committee on Veterans' and Military Affairs.

House Committee on State Government & Tribal Affairs
Senate Committee on Government Operations & Elections

Background: State law provides that honorably discharged veterans receive preference in public employment. For some public employment positions, applicants must take a competitive examination. In those cases, preference is given to veterans by adding a percentage to the passing mark, grade, or rating of an examination. When scoring competitive exams, the state, including all of its political subdivisions and municipal corporations, must give the scoring preference to qualified veterans, as follows:

- 10 percent to a veteran who served during a period of war or in an armed conflict and does not receive military retirement. This scoring preference applies until the veteran's first appointment. It may not, however, be used in promotional examinations.
- 5 percent to a veteran who did not serve during a period of war or in an armed conflict, or who is receiving military retirement. This scoring preference applies until the veteran's first appointment, but may not be used in promotional examinations.
- 5 percent to a veteran who was called to active military service for one or more years from employment with the state or any of its political subdivisions or municipal corporations. This scoring preference is applied to the first promotional examination only.

Veterans' scoring preferences may be claimed upon release from active military service.

Summary: Public employees called to active military service may receive the 5 percent scoring preference on promotional examinations, regardless of how long the employee serves in active service.

Votes on Final Passage:

House	96	0
Senate	46	0

Effective: July 26, 2009

2SHB 1052
C 216 L 09

Concerning firearm licenses for persons from other countries.

By House Committee on General Government Appropriations (originally sponsored by Representatives Moeller, Williams, Blake, Chase and Kretz).

House Committee on Judiciary
House Committee on General Government Appropriations
Senate Committee on Judiciary

Background: Alien Firearm Licenses.

It is a class C felony for a person who is not a citizen of the United States to possess a firearm in Washington un-

less the person has obtained an alien firearms license from the Department of Licensing (DOL). To obtain an alien firearms license, an applicant must: provide proof that he or she is lawfully present in the United States; undergo a fingerprint-based background check; and, with certain exceptions, provide specified information from the applicant's consulate located in Washington. The DOL has interpreted the alien firearms license statute to allow only those non-citizens who are residents of Washington to obtain an alien firearm license.

An alien firearm license is valid for five years. An applicant for an alien firearm license must pay a fee of $55 to the DOL plus additional charges imposed by the Federal Bureau of Investigation (FBI) that are passed on to the applicant. The fee is distributed as follows: $15 to the DOL; $25 to the Washington State Patrol; and $15 to the local law enforcement agency conducting the background check.

A Canadian citizen is exempt from the requirements of the alien firearm license statute if the Canadian citizen possesses the firearm for the purpose of hunting or competing in a bona fide trap or skeet shoot or other organized event where firearms are used, and if the Canadian citizen lives in a province that provides similar privileges to Washington residents.

Federal Law. The federal Gun Control Act generally prohibits aliens admitted to the United States under non-immigrant visas from importing firearms into or possessing firearms within the United States. There is an exception for non-immigrant aliens who are admitted to the United States for lawful hunting or sporting purposes or in possession of a hunting license lawfully issued in the United States.

A non-immigrant alien who wishes to import a firearm or ammunition into the United States must have an approved Application and Permit for Temporary Importation of Firearms and Ammunition for Nonimmigrant Aliens (ATF Form 6NIA). In order to obtain approval for an ATF Form 6NIA permit, the non-immigrant alien must possess either: a valid hunting license issued by a state; or an invitation or registration to attend a competitive target shooting event or sports or hunting trade show sponsored by a national, state, or local jurisdiction.

Summary: The alien firearm statute is repealed and new requirements for the possession of firearms by non-citizens are established. It is a class C felony for a person who is not a citizen of the United States to possess a firearm in Washington unless the person is: a lawful permanent resident; a non-immigrant alien residing in Washington who has obtained an alien firearm license; or a non-immigrant alien residing outside of Washington who meets certain requirements.

Non-immigrants Residing in Washington. A non-immigrant alien residing in Washington must obtain an alien firearm license in order to carry or possess a firearm. An applicant for an alien firearm license may apply to the county sheriff where he or she resides, and the sheriff has 60 days to issue the license. The license is valid for two years and allows the applicant to carry or possess a firearm only for the purpose of hunting and sport shooting. An applicant for an alien firearm license must submit a copy of a passport and visa showing that 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.

The county sheriff must conduct a fingerprint-based background check through the National Crime Information Center, the Washington State Patrol (WSP), the Department of Social and Health Services databases, and other appropriate agencies, to determine whether the applicant is ineligible to possess a firearm under state law.

One copy of the license must be sent to the DOL, and the county sheriff issuing the license must retain a copy for six years. The fee for the license is $50, plus additional charges imposed by the WSP and the FBI that are passed on to the applicant. The fee is retained by the county sheriff issuing the license.

Non-immigrants Who Do Not Reside in Washington. A non-immigrant alien who is not a resident of Washington may carry or possess a firearm in Washington only for the purpose of hunting or sport shooting if the person possesses: a valid passport and visa or, in the case of a Canadian citizen, valid documentation for entry into the United States; an approved ATF Form 6NIA application and permit, if required under federal law; and a valid hunting license or an invitation to participate in a trade show or sport shooting event.

Other Provisions. Law enforcement agencies and other entities are provided immunity for activities associated with the issuance or denial of an alien firearm license.

The concealed pistol license statute is amended to reference alien firearm licenses created by the act. A person who is not a citizen of the United States has to comply with the requirements of the alien firearm statute, if applicable, in order to obtain a concealed pistol license.

Votes on Final Passage:

House	97	0	
Senate	45	0	(Senate amended)
House	97	0	(House concurred)

Effective: July 26, 2009

EHB 1053
C 133 L 09

Concerning raffle ticket prices.

By Representatives Moeller, Williams, Conway, Wood, Chase and Hunt.

House Committee on Commerce & Labor
Senate Committee on Labor, Commerce & Consumer Protection

Background: Washington's Gambling Act authorizes charitable and nonprofit organizations to conduct raffles to raise funds for the organizations' stated purposes. The organization must be organized for one of the purposes specified in statute, which include agricultural, charitable, educational, political, fraternal, and athletic purposes, and must meet other requirements. The Washington State Gambling Commission (Commission) regulates raffles.

A raffle may be conducted as a licensed or unlicensed raffle. A license is required: (1) if the gross revenue from all gambling fundraising conducted by the organization is more than $5,000 per year; (2) if tickets are sold by someone other than a member of the organization; (3) if tickets are sold at a discount; (4) if firearms are awarded as prizes; and (5) in certain other cases. By rule, if the retail value of a prize is $40,000 or more, or the total value of raffle prizes offered in a year exceeds $80,000, Commission approval is required in addition to a license.

The maximum price of a raffle ticket is $25.

Summary: The maximum price of a raffle ticket is raised from $25 to $100.

Votes on Final Passage:

House	93	1
Senate	43	3

Effective: July 26, 2009

SHB 1055
C 36 L 09

Requiring workers to have licenses, certificates, or permits in their possession when performing work in certain construction trades.

By House Committee on Commerce & Labor (originally sponsored by Representatives Moeller, Williams, Conway, Wood and Simpson).

House Committee on Commerce & Labor
Senate Committee on Labor, Commerce & Consumer Protection

Background: The Department of Labor and Industries administers and enforces state laws governing certain construction-related trades. These laws require persons who perform electrical, plumbing, or conveyance work to have appropriate certificates of competency or licenses. Persons who perform such work without appropriate certificates or licenses, as well as persons who employ them, are subject to civil penalties ranging from $250 to $500 for violations of the electrician certification requirement, $250 to $1,000 for violations of the plumber certification requirement, and $500 for violations of the elevator mechanic licensing requirement.

Summary: The Legislature finds that dishonest contractors sometimes hire unlicensed and uncertified persons to perform electrical, plumbing, and conveyance work. This practice gives them an unfair competitive advantage. Requiring persons to have licenses, certificates, permits, and endorsements (licenses) and photo identification in their possession while performing this work will help address the problems of the underground economy in the construction industry.

While performing electrical, plumbing, or conveyance work, persons must have licenses and photo identification in their possession. They must produce licenses and photo identification upon request of an authorized representative of the Department of Labor and Industries (Department). They may be required to wear and visibly display licenses pursuant to Department rules. Licenses may include photo identification.

Votes on Final Passage:

House	95	0
Senate	33	15

Effective: July 26, 2009

HB 1058
C 186 L 09

Revising editorial standards for the RCW.

By Representatives Goodman and Rodne; by request of Statute Law Committee.

House Committee on Judiciary
Senate Committee on Judiciary

Background: The Office of the Code Reviser (Code Reviser) is a legislative agency whose responsibilities include codifying into the Revised Code of Washington (RCW) all enacted laws of a general and permanent nature. The Code Reviser is allowed to edit and revise these laws for consolidation into the RCW to the extent deemed necessary or desirable by the Code Reviser. The Code Reviser may only make changes that are authorized by statute and do not change the meaning of the law.

Summary: The provision is removed that gives the Code Reviser the authority to divide long sections of a law into two or more sections. The Code Reviser may alphabetize definition sections when doing so will not change the meaning or effect of such sections.

Unless it may be necessary to retain the following information to determine the full intent of the law, the Code Reviser is given the authority to:

- omit severability clauses;

- remove annotations that have appeared in the published RCW for more than 10 years; and
- omit section captions, part headings, subheadings, tables of contents, and indexes appearing in legislative bills.

Annotations that have appeared in the published RCW for more than 10 years will be retained and available in the electronic copy of the RCW, which is available on the Code Reviser's website.

Votes on Final Passage:

House 94 0
Senate 43 0

Effective: July 26, 2009

EHB 1059
C 187 L 09

Making technical corrections to various statutes at the request of the statute law committee.

By Representatives Goodman, Kelley and Rodne; by request of Statute Law Committee.

House Committee on Judiciary
Senate Committee on Judiciary

Background: Inaccuracies in the Revised Code of Washington (RCW) may occur in a variety of ways. Sections may be repealed, recodified, or amended in a way that changes their internal numbering, or drafting and typographical errors may be made during the drafting process.

In any given legislative session, two or more bills may amend the same section of the RCW without reference to each other. These amendments are called double or multiple amendments. Usually there are no substantive conflicts between the multiple amendments, and the amendments can be merged. In the event that multiple amendments substantively conflict with each other and cannot be merged, the last amendment passed controls.

Summary: Technical corrections are made to various provisions of the RCW. The technical corrections include changes to correct inaccurate references to terms that have been changed and inaccurate cross-references resulting from amendments, recodifications, or repealers. In addition, certain sections of the RCW are re-enacted to merge double amendments.

Votes on Final Passage:

House 97 0
Senate 47 0

Effective: July 26, 2009

SHB 1062
C 434 L 09

Modifying the electrolytic processing business tax exemption.

By House Committee on Finance (originally sponsored by Representatives Takko, Warnick, Blake, Orcutt, Ericks and Morris).

House Committee on Technology, Energy & Communications
House Committee on Finance
Senate Committee on Ways & Means

Background: Public Utility Tax. The Public Utility Tax (PUT) is a tax on public service businesses, including businesses that engage in transportation, communications, and the supply of electricity, natural gas, and water. The tax is paid on gross income derived from operation of public and privately owned utilities in lieu of the business and occupation (B&O) tax. For electrical utilities, the applicable tax rate is 3.873 percent. Revenues are deposited in the State General Fund.

The PUT does not permit deductions for the costs of doing business, such as payments for raw materials and wages of employees. However, there are several deductions and credits for specific types of business activities. These activities include wholesale sales and sales of electricity to direct service industrial businesses.

There are a small number of large industrial manufacturers, mostly aluminum smelters, that consume significant amounts of electricity in their processing operations. They purchase their electricity directly from the Bonneville Power Administration (BPA) and are known as direct service industrial customers (DSIs). The DSIs are not utilities and are not subject to the PUT, and the income to the BPA from those sales is not subject to the PUT.

Industrial chemical businesses also use significant amounts of electricity in their chemical processing operations. Some of these businesses purchase their electricity from a local electric utility. The income to the utility from the sale of electricity to the chemical business is subject to the PUT.

Public Utility Tax Exemption for Certain Electrolytic Processes. Income from the sales of electricity by a utility to a chlor-alkali or a sodium chlorate chemical business is exempt from the PUT if the sales contract between the utility and the chemical business meets the following conditions:

- The electricity used in the chemical processing is separately metered from the electricity used in the general operation of the business.
- The price of the electricity used in the processing of the chemicals and charged to the chemical business is reduced by the amount of the tax exemption received by the selling utility.

If the tax exemption is disallowed, the chemical business must pay the amount of the disallowed exemption to the utility. If the electricity originally obtained by the utility to meet the contracted amount required by the chemical business for use in the processing of the chemicals is resold by the utility, the income from the resale of that electricity is not exempt from the PUT.

Goals of the Electrolytic Processing PUT Tax Exemption. The goals of the electrolytic processing tax exemption are: (1) to retain family wage jobs by enabling electrolytic processing businesses to maintain production of chlor-alkali and sodium chlorate at a level that will preserve at least 75 percent of the jobs that were on the payroll effective January 1, 2004; and (2) to allow the electrolytic processing industries to continue production in this state through 2011 so that the industries will be positioned to preserve and create new jobs when the anticipated reduction of energy costs occurs.

Reporting Requirements. Businesses that claim the PUT exemption must report annually to the Department of Revenue details of employment, wages, and benefits per job (but excluding individual employee identification). The report must also include the quantity of product produced. The first report must include employment, wage, and benefit information covering the 12-month period preceding the effective date of the incentives. The report content is not subject to statutory confidentiality requirements. During any year, if a business fails to submit a report, all tax savings attributable to the incentives for the year are due. The fiscal committees of the House of Representatives and the Senate are required to study the effectiveness of the tax incentive with respect to job creation and other factors deemed necessary. The committees must consult with the Department of Revenue and address expected trends in electricity prices. The next report to the Legislature is due in December of 2010.

Expiration of Tax Incentive. This PUT exemption does not apply to the sales of electricity by a utility to a chlor-alkali or a sodium chlorate chemical business after December 31, 2010. The PUT exemption expires on June 30, 2011.

Summary: The expiration date of the PUT exemption for electrolytic processes relating to chlor-alkali or a sodium chlorate chemical business is extended to December 31, 2018. The expiration date for the PUT exemption is June 30, 2019.

The goals of the electrolytic processing business tax exemption are: (1) to retain family wage jobs by enabling electrolytic processing businesses to maintain production of chlor-alkali and sodium chlorate at a level that will preserve at least 75 percent of the jobs that were on the payroll effective January 1, 2004; and (2) to allow the electrolytic processing industries to continue production in this state so that the industries will remain competitive and be positioned to preserve and create new jobs.

The Citizen Commission for the Performance Measurement of Tax Preferences is directed to schedule the PUT exemption for review by the Joint Legislative Audit and Review Committee.

Votes on Final Passage:

House	95	0	
Senate	46	2	(Senate amended)
House	91	4	(House concurred)

Effective: July 26, 2009

HB 1063

C 199 L 09

Removing the termination date for the salmon and steelhead recovery program under RCW 77.85.200.

By Representatives Takko, Simpson and Moeller.

House Committee on Agriculture & Natural Resources
Senate Committee on Natural Resources, Ocean & Recreation

Background: Since 1998 a program for salmon and steelhead recovery has operated within the habitat areas classified as the "lower Columbia evolutionarily significant units" (the lower Columbia units) by the National Marine Fisheries Service (NMFS). An "evolutionarily significant unit" is the habitat area identified for an evolutionarily significant unit of an aquatic species listed or proposed for listing as a threatened or endangered species under the federal Endangered Species Act. Specifically, the salmon and steelhead recovery program operates within Clark, Cowlitz, Lewis, Skamania, and Wahkiakum counties.

Management Board Composition. A management board (Board) consisting of 15 voting members is responsible for developing and overseeing the implementation of the habitat portion of the salmon and steelhead recovery plan. The voting members consist of one county commissioner or a designee from each of the five participating counties; one member representing the cities within the lower Columbia units; one member representing the Cowlitz tribe; one state legislator from a legislative district within the lower Columbia units; one member representing hydroelectric utilities within the lower Columbia units; one member representing the environmental community who resides in the lower Columbia units; and five additional members appointed by the five county commissioners or their designees, at least one of whom must represent private property interests.

The Board also is required to appoint and consult a technical advisory committee consisting of a representative of each of four state agencies appointed by the directors of the departments of Ecology, Fish and Wildlife, Transportation, and Natural Resources. The Board may appoint other people to the technical advisory committee as needed.

Management Board Responsibilities. The Board is responsible for the development of a lower Columbia salmon and steelhead habitat recovery plan, as well as coordinating and monitoring the implementation of the plan. In developing the recovery plan, the Board is required to work with appropriate federal and state agencies, tribal governments, local governments, and the public to make sure hatchery, harvest, and hydropower components are considered along with habitat. In addition, the Board must consider local watershed efforts and habitat conservation plans. All future plans and amendments to the plans must be submitted to the Governor's Salmon Recovery Office for the incorporation of hatchery, harvest, and hydropower components of the statewide salmon recovery strategy for all submissions to the NMFS. The Board may not exercise authority over land or water within the individual counties or otherwise preempt the authority of local governmental units.

The Board also is required to prioritize and approve projects and programs related to the recovery of lower Columbia River salmon and steelhead runs, including establishing criteria for funding such projects and to coordinate local government efforts as provided in the recovery plan. The Board may consider local economic impacts in developing criteria for funding the projects and programs, but may not consider jurisdictional boundaries or factors related to jurisdictional population. Finally, the Board must assess the factors for decline along each tributary basin in the lower Columbia and is encouraged to take a stream-by-stream approach that uses state and local expertise.

The Board is required to report on its progress on a biennial basis to the legislative bodies of the five participating counties, as well as to the state natural resources-related agencies. At the conclusion of the program, the Board must prepare a final report describing its efforts and successes in developing and implementing the recovery plan.

Termination of Recovery Program. The recovery program is scheduled to terminate on July 1, 2010.

Summary: The requirement that the salmon and steelhead recovery program in Clark, Cowlitz, Lewis, Skamania, and Wahkiakum counties terminates on July 1, 2010 is removed, making the program permanent.

Votes on Final Passage:

House	70	25
Senate	34	12

Effective: July 26, 2009

HB 1066
C 7 L 09

Regarding special elections for changing the form of government of a noncharter code city.

By Representatives Rolfes, Appleton and Moeller.

House Committee on Local Government & Housing
Senate Committee on Government Operations & Elections

Background: Created in 1967, the Optional Municipal Code provides an alternative to the standard statutory classification system of municipal government. It is designed to provide cities and towns with the option of adopting a system of governance that allows broad statutory home rule authority in matters of local concern. Any unincorporated area having a population of at least 1,500 may incorporate as an optional code city (code city), and any city or town may reorganize as a code city.

Washington cities and towns are organized under one of three principal forms of government:

- the *mayor-council* form, which consists of an elected mayor, who serves as the city's chief administrative officer, and a council which serves as the municipality's legislative body;
- the *council-manager* form, which consists of an elected city council which is responsible for legislation and policy making, and a professional city manager, appointed by the council, who is responsible for administration; and
- the *commission form*, which authorizes the election of three commissioners who function collectively as the city legislative body and individually as department heads.

Any city may change its form of government by adopting another form authorized by statute. Generally, the procedure may be initiated either by a resolution adopted by the city council or by a petition process, and either process must be followed by an election on the issue of whether or not to adopt the proposed governmental change. The election for a proposed change of city government must take place at the next general election.

Summary: Following a proposal for a change in a city's form of government, initiated either through a voter petition or by the decision of a city council, a code city may decide the issue through a special election held prior to the next general election pursuant to the resolution of the council.

Votes on Final Passage:

House	95	2
Senate	41	6

Effective: February 18, 2009

SHB 1067
C 188 L 09

Creating the uniform limited partnership act.

By House Committee on Judiciary (originally sponsored by Representatives Pedersen and Rodne; by request of Washington State Bar Association).

House Committee on Judiciary
House Committee on General Government Appropriations
Senate Committee on Judiciary

Background: A limited partnership is a form of business organization that consists of one or more general partners and one or more limited partners. General partners manage the business and are personally liable for the debts and obligations of the limited partnership. Limited partners are liable for the partnership's debts and obligations only to the extent of their contributions to the partnership, except in limited circumstances where the limited partner participates in control of the business. Limited partnerships are formed by filing a certificate of limited partnership with the Secretary of State.

Washington first adopted a Uniform Limited Partnership Act in 1945. In 1981 Washington enacted the Revised Uniform Limited Partnership Act (RULPA), which has since been amended a number of times. The RULPA establishes provisions for the creation and operation of limited partnerships that cover: requirements for filing and amending a certificate of limited partnership with the Secretary of State; the rights, duties, liabilities, and relationships of limited partners and general partners; financing of the limited partnership and sharing of profits and losses; withdrawal and distribution rights of partners; assignment rights of partnership interests; and dissolutions and mergers of limited partnerships.

The RULPA is not a stand-alone act. It is linked to and dependent on provisions of the Revised Uniform Partnership Act (RUPA). The RULPA provides that limited partnerships are subject to provisions of the RUPA in areas not covered by the RULPA. Prior to the RUPA's adoption in 1998, the general partnership law also contained links to the RULPA. However, when the RUPA was enacted, the linking language in the RUPA was eliminated.

In 2001 the National Conference of Commissioners on Uniform State Laws adopted a new version of the RULPA, referred to simply as the Uniform Limited Partnership Act (ULPA. In 2005 the Partnership and Limited Liability Company Law Committee of the Washington State Bar Association (Committee) began a review of the 2001 ULPA to determine whether it should be adopted in Washington. The Committee recommends adoption of the 2001 ULPA, with changes appropriate to conform to other business entity statutes in Washington.

Summary: The Washington Uniform Limited Partnership Act (WULPA) is adopted and replaces the Washington Revised Uniform Limited Partnership Act. The WULPA contains changes to many aspects of limited partnership law to update and modernize the statute and to conform the provisions more closely to statutes governing other business entities in Washington. An overview of some of the more substantial changes provided in the act is provided below.

De-linkage from the Revised Uniform Partnership Act. The WULPA is a stand-alone act that is no longer linked to and dependent on the Revised Uniform Partnership Act (RUPA). As a result, many provisions of the RUPA that applied to the current Revised Uniform Limited Partnership Act are included as new provisions in the WULPA.

General Provisions. A specific statement is added that a limited partnership is an entity distinct from its partners and that the limited partnership may be organized for any lawful purpose and has a perpetual duration. The general rule is provided that the partnership agreement controls the operation of the limited partnership, except in specific areas of the WULPA that may not be waived by the partnership agreement. The list of non-waivable provisions is similar to those currently provided under the general partnership law.

Circumstances under which a person will be deemed to have constructive notice of a fact concerning a limited partnership are provided and are similar to constructive notice provisions under the general partnership law. Additional constructive notice provisions provide that a person has constructive notice of certain actions or occurrences 90 days after the filing of a record concerning the action or occurrence.

The process and requirements for filing an initial and amended certificate of limited partnership and for filing and correcting other records with the Secretary of State (SOS) are updated, including a provision establishing default rules on the effective time and date of filings. In addition, requirements for the signing of records filed with the SOS are updated and expanded. Limited partnerships must file annual, rather than periodic, reports with the SOS.

Limited Liability Limited Partnership Status. A limited partnership may opt to become a limited liability limited partnership by including a statement to that effect in its certificate of limited partnership. Status as a limited liability limited partnership provides general partners with a shield from liability for obligations of the limited liability limited partnership.

Limited and General Partners. Provisions regarding access to information by a partner are modified to expand the list of information that must be provided without a showing of good cause. However, the limited partnership, through the partnership agreement, may impose reasonable restrictions on the availability and use of the information. The circumstances under which a partner has access to other information of the limited partnership are updated

and access rights are provided for former partners of the limited partnership.

Provisions regarding when a general partner or a limited partner is dissociated from the limited partnership for cause are established and are similar to provisions on dissociation provided in the RUPA. A limited partner has no right to voluntarily dissociate from the limited partnership; however, the limited partner has the power to dissociate unless eliminated by the partnership agreement. A partner that is dissociated from the limited partnership is no longer entitled to a payout of fair value for the partner's interest in the limited partnership; rather, the partner becomes a transferee of the interest.

Limited partners: The circumstance under which a limited partner may incur liability for limited partnership obligations is eliminated. A limited partner is not liable for any of the limited partnership's obligations, even if the limited partner participates in the management and control of the business.

Specific duties of limited partners are established. A limited partner does not have a fiduciary duty to the limited partnership or another partner. However, a limited partner does have an obligation of good faith and fair dealing in exercising rights and discharging duties under the partnership agreement or under the act.

General partners: Provisions regarding a general partner's powers, rights, duties and obligations are provided and are consistent with existing provisions in the RUPA governing these issues. A general partner in a limited liability limited partnership is not liable for the obligations of the limited liability limited partnership.

Distributions. Provisions regarding improper distributions of the limited partnership's assets are modified consistent with the approach of the Washington Business Corporations Act (WBCA). A limited partnership may base a determination that a distribution is not improper on financial statements that are based on reasonable accounting practices or on a fair valuation method that is reasonable under the circumstances. Criteria for determining whether the effect of a distribution would make the distribution improper are provided.

Dissolutions. Circumstances under which a limited partnership may be dissolved are modified. The consent of all partners is no longer required for dissolution. Rather, dissolution is allowed with the consent of all general partners and of limited partners owning a majority of rights to receive distributions. There is no dissolution of a limited partnership following dissociation of a general partner unless the limited partnership has no remaining general partner. In that case, dissolution occurs unless, within 90 days of the dissociation of the last general partner, a new general partner is admitted upon consent of limited partners owning a majority of the rights to receive distributions.

Procedures for barring claims against a dissolved limited partnership are established consistent with the approach in the WBCA. In the case of known claims, the limited partnership may dispose of the claims by providing notice to the claimant of the dissolution. The notice must specify the information required and deadline for submitting a claim. If a claimant fails to file a claim with the limited partnership by the deadline, or fails to bring suit within 90 days if a submitted claim is rejected, the claim is barred. In the case of unknown claims, the limited partnership may dispose of the claims by publishing notice of the procedure for submitting claims against the limited partnership, and if the claimant does not bring suit to enforce the claim within three years of the notice, the claim is barred.

Conversions. Limited partnerships are authorized to convert their business to or from: a general partnership, including a limited liability partnership; a limited partnership, including a limited liability limited partnership; a limited liability company; a business trust; a corporation; or any other entity having a governing statute. Requirements for effectuating and filing a conversion, and the effect of a conversion, are provided.

Application. The act applies to all limited partnerships formed on or after January 1, 2010. Limited partnerships formed prior to January 1, 2010, may elect to be governed by the act as of the act's effective date, except for certain specified provisions that will not apply until July 1, 2010. On July 1, 2010, all partnerships are subject to the act, whether formed before, on, or after January 1, 2010.

Votes on Final Passage:

House	95	2
Senate	43	0

Effective: July 26, 2009
January 1, 2010 (Sections 101-1304 and 1306-1310)
July 1, 2010 (Sections 1305 and 1401-1416)

HB 1068
C 189 L 09

Revising the Washington business corporation act.

By Representatives Pedersen and Rodne; by request of Washington State Bar Association.

House Committee on Judiciary
Senate Committee on Judiciary

Background: Corporate Action Taken Without Shareholder Meeting or Vote. Under the Washington Business Corporation Act (WBCA), action required or permitted to be taken at a shareholders' meeting may be taken without a meeting or a vote if the action is taken by all shareholders entitled to vote on the action (unanimous consent). Action may be taken without a meeting or a vote by less than unanimous consent if: (1) the articles of incorporation

authorize less than unanimous consent; (2) the consenting shareholders hold as many votes as would be necessary to take the action if all shares entitled to vote were present at a meeting; and (3) the corporation is not a public corporation.

The "record date," which is the date that determines which shareholders are entitled to take action, is the date that the first shareholder consent is executed (meaning signed or electronically transmitted). If there are not enough shareholder consents delivered to the corporation within 60 days from the earliest dated delivered consent, then the consents are not effective.

Notice that action will be taken by shareholders without a meeting by less than unanimous consent must be given before the effective date of the action. The corporation's articles of incorporation must specify the amount and form of notice required to nonconsenting shareholders. Notice must go to nonconsenting shareholders entitled to vote and, if the WBCA would otherwise require notice of the action to be given to nonvoting shareholders, then to those shareholders as well.

If the action is of a type that would constitute a "significant business transaction" as defined by the WBCA, or would entitle a shareholder to exercise dissenter rights, such as a merger or acquisition, then certain types of notice to shareholders must be given. The statutes governing "significant business transactions" (often referred to as the anti-takeover laws) apply to public corporations (which may not use the less-than-unanimous consent provisions) and to a few private corporations that opt in to the anti-takeover laws.

Majority Voting Provisions. The WBCA allows for plurality voting to elect the directors of a corporation. Plurality voting basically allows for the election of a director candidate who gets more votes than other candidates, but does not require a candidate to get a majority of votes. Legislation enacted in 2007 allows corporations to modify plurality voting and to allow for different voting standards. Some of the statutes in the WBCA dealing with plurality voting were not amended in the 2007 legislation.

Summary: The notice requirements for shareholder actions taken without a shareholders' meeting or vote are amended. Notice that shareholder consents are being sought must be given on or promptly after the record date to all shareholders entitled to vote on the record date who have not executed consent. If the WBCA would otherwise require that notice of a meeting to take the action be given to nonvoting shareholders, then notice must be provided to all nonvoting shareholders as well (regardless of whether the action is by unanimous or less-than-unanimous consent). Notice that shareholder consent is being sought may be given either by the corporation or by another person soliciting shareholder consents. In addition, a second notice stating that sufficient shareholder consents have been executed must be given by the corporation promptly after delivery to the corporation of shareholder consents sufficient to approve the action.

A corporation's articles of incorporation no longer need to specify the amount and form of notice required for action taken by less than unanimous consent. The more specific provisions governing notice for significant business transactions and dissenter's rights are removed.

The first shareholder consent executed need not be delivered to the corporation on the date of the execution in order for that execution date to be the record date.

The term "corporate action" is defined and used throughout the WBCA for consistency and to clarify the distinction between the matter being approved versus the action of approving. Other technical corrections are made to reflect changes made in 2007 on plurality voting.

Votes on Final Passage:

House	94	0
Senate	47	0

Effective: July 26, 2009

SHB 1071

C 217 L 09

Concerning advanced registered nurse practitioners.

By House Committee on Health Care & Wellness (originally sponsored by Representatives Green, Morrell, Dickerson and Kenney).

House Committee on Health Care & Wellness
Senate Committee on Health & Long-Term Care

Background: Advanced Registered Nurse Practitioners (ARNPs) are registered nurses with additional formal specialized training in areas such as pediatrics, midwifery, geriatrics, anesthesiology, and psychiatry. The ARNPs function more independently than registered nurses and assume primary responsibility and accountability for care of their patients. An ARNP can examine patients and establish medical diagnoses, admit patients to health care facilities, order and interpret lab tests, implement a plan of care for patients, prescribe medications and refer clients to other health care practitioners or facilities.

The Washington Nursing Care Quality Assurance Commission recognizes a specialty designation for psychiatric nurse practitioners or clinical specialists in psychiatric-mental health nursing.

Summary: Advanced registered nurse practitioners are specifically added to the list of mental health professionals who can recommend and provide certain mental health treatment.

Votes on Final Passage:

House	95	0	
Senate	43	0	(Senate amended)
House	97	0	(House concurred)

Effective: July 26, 2009

HB 1076
C 69 L 09

Allowing crime victims to submit input to the department of corrections regarding an offender's placement in work release.

By Representatives Rolfes, Eddy, Kelley, Pearson, Simpson, Moeller, Orcutt, Morrell and Upthegrove.

House Committee on Human Services
Senate Committee on Human Services & Corrections

Background: The Department of Corrections (DOC) is authorized to convert up to six months of an offender's sentence to work release. Work release is a form of partial confinement in which offenders are allowed into the community for employment purposes. The DOC is required, at least 30 days prior to an offender's placement in work release, to notify in writing the victim of the offender's crime, or the victim's next of kin (if the crime was a homicide), of the work release placement if: (1) the offender was convicted of a sex offense, a violent offense, or felony harassment; and (2) the victim has made a written request for such notification.

Summary: Upon receipt of a written request for notification of work release placement, and at the time that the DOC notifies the victim or the victim's next of kin of the offender's placement in work release within 30 days of the placement, the DOC must provide instructions on how to provide input to the DOC regarding the placement. The DOC is required to consider any input received from the victim or the victim's next of kin if received at least seven days prior to the offender's placement in work release. The DOC may consider such input if it is received less than seven days prior to placement in work release. The DOC may change its work release placement decision based upon input received from the victim or victim's next of kin.

Votes on Final Passage:

House	96	0
Senate	45	0

Effective: August 1, 2009

E2SHB 1078
C 70 L 09

Concerning exchange facilitators.

By House Committee on General Government Appropriations (originally sponsored by Representatives Kelley, Roach, Kirby, Warnick, Bailey and Sells).

House Committee on Financial Institutions & Insurance
House Committee on General Government Appropriations
Senate Committee on Financial Institutions, Housing & Insurance

Background: The Internal Revenue Code (Code) provides that no gain or loss is recognized on the exchange of property held for productive use in a trade or business, or for investment. A tax-deferred exchange is a method by which a property owner trades one or more relinquished properties for one or more "like-kind" replacement properties. This enables a property owner to defer the payment of federal income taxes on the transaction. If the replacement property is sold (as opposed to making another qualified exchange), the property owner must pay tax on the original deferred gain plus any additional gain realized since the purchase of the replacement property. This Code provision does not apply to exchanges of inventory, stocks, bonds, notes, other securities or evidence of indebtedness, or certain other assets.

There are Internal Revenue Code provisions regarding the exchange process. If these provisions are not met, the exchange does not qualify to defer the taxation. There are no other federal or state laws specific to the exchange facilitators (also known as "qualified intermediaries" under federal law) required to facilitate the exchange.

Summary: Definitions. Six definitions are included in the act.

The exchange facilitator business (facilitator) must be under the direct management of an officer or an employee who is either:

- an attorney or certified public accountant admitted to practice in any United States state or territory; or
- has passed a test specific to the subject matter of exchange.

A facilitator may not sue its clients for compensation unless the facilitator proves its compliance with all the requirements in this act.

Financial Security - Fidelity Bond. Each person in the facilitator must:

- maintain a fidelity bond or bonds in an amount of not less than $1 million; or
- deposit an amount of cash and securities or irrevocable letters of credit equivalent to $1 million into an interest-bearing deposit or money market account at a financial institution of the facilitator's choice. The interest accrues to the facilitator.

Financial Security - Insurance. Each facilitator must:

- maintain a policy of errors and omissions of not less than $250,000; or
- deposit an amount of cash and securities or irrevocable letters of credit equivalent to $250,000 into an interest-bearing deposit or money market account at a financial institution of the facilitator's choice. The interest accrues to the facilitator.

Compliance with Financial Security Requirements and Claims Against the Financial Security. A facilitator must demonstrate compliance with the fidelity bond and insurance requirements upon the request of a current or

prospective client. Any person claiming to have sustained damage by reason of the failure of a facilitator to comply with this act may seek to recover damages from the facilitator's insurance, fidelity bond or bonds or the deposits, or the letters of credit maintained in lieu of the insurance, bond, or bonds.

Custodian of Funds. A facilitator must act as a custodian for all exchange funds, property, and other items received from the client (except the facilitator's compensation). The exchange funds must be held in a manner that provides liquidity and preserves principal. A facilitator must provide the client with written notification of how the funds are invested or deposited. If invested, the facilitator must invest the exchange funds in investments that meet a prudent investor standard and that satisfy the goals of liquidity and preservation of principal. A prudent investor standard is violated if any of the following occurs:

- exchange funds are knowingly commingled by the facilitator with the operating accounts of the facilitator;
- exchange funds are loaned or otherwise transferred to any person or entity, other than a financial institution, that is affiliated with or related to the facilitator. This does not apply to the transfer of funds from a facilitator to an exchange accommodation titleholder under an exchange contract; or
- exchange funds are invested in a manner that does not provide sufficient liquidity or there is a loss of principal. This standard is not violated if the insufficient liquidity or loss of principal is due to events beyond the control of the facilitator or beyond the ability of facilitator to predict. It is also not violated if the investment was made at the specific request of the client.

Prohibited Practices. A facilitator must not, knowingly or with criminal negligence, commit specified prohibited practices related to a like-kind transaction. These prohibited practices include:

- making false, deceptive, or misleading material statements;
- making deceptive or misleading material statements in advertising;
- engaging in unfair or deceptive acts;
- commingling of funds, except as allowed;
- loaning or transferring money to a person or entity affiliated with the facilitator, except as allowed;
- keeping exchange funds under a client's name;
- materially failing to fulfill contractual duties to deliver funds or property unless the failure is due to a cause that is beyond the control of the facilitator;
- failing to provide required disclosures;
- negligently making a false statement or willfully omitting a material fact in a report or investigation; and
- committing certain crimes.

Accounts. All accounts above $500,000 must be placed in a separately identified account, and the client must receive the earnings related to that account. Accounts of less than $500,000 may be pooled with other client accounts if the client agrees, in writing, to the pooling. If the client does not agree, the funds must be placed in a separately identified account.

Criminal Penalties. It is a Class B felony to commit certain prohibited practices related to a like-kind transaction. These prohibited practices include:

- making false, deceptive, or misleading material statements;
- making deceptive or misleading material statements in advertising;
- engaging in unfair or deceptive acts;
- commingling of funds, except as allowed;
- loaning or transferring money to a person or entity affiliated with the facilitator, except as allowed;
- keeping exchange funds under a client's name; and
- materially failing to fulfill contractual duties to deliver funds or property unless the failure is due to a cause that is beyond the control of the facilitator.

It is a misdemeanor to commit certain prohibited practices related to a like-kind transaction. These prohibited practices include:

- failing to make disclosures required by any applicable state or federal law; or
- negligently making any false statement or knowingly and willfully making any omission of material fact in connection with any reports filed by an exchange facilitator or in connection with any investigation conducted by the Department of Financial Institutions (DFI).

Consumer Protection Act. Violations of the act are violations under the Consumer Protection Act.

Department of Financial Institutions Report. Facilitators must file information with the DFI by December 31, 2009. The information is exempt from public disclosure, and will be compiled by the DFI for reporting to the Legislature.

Votes on Final Passage:

House	96	0
Senate	45	0

Effective: July 26, 2009

2SHB 1081
C 435 L 09

Authorizing local improvement district financing of railroad crossing protection devices.

By House Committee on Transportation (originally sponsored by Representatives Wallace, Ericksen, Clibborn, Armstrong, Moeller and Jacks).

House Committee on Local Government & Housing
House Committee on Transportation
Senate Committee on Transportation

Background: Cities and towns are granted broad authority to create a local improvement district for the purpose of constructing, reconstructing, or repairing a wide range of publicly owned structures, facilities, and infrastructure, including:

- specified types of public buildings;
- community facilities for recreation, entertainment, and cultural activities;
- bridges and trestles;
- dikes and embankments;
- parks and playgrounds;
- street lighting systems;
- infrastructure for public transportation systems; and
- water and sewer system infrastructure.

A local improvement district may be created by an ordinance passed by the city or town council in accordance with specified statutory procedures. The passage of the ordinance must be in response to either a petition or resolution proposing the creation of the district and which is subject to a public hearing. Under certain circumstances the proceedings necessary to establish a local improvement district must be initiated by the petition of the affected property owners.

The costs of creating a local improvement district are financed, in whole or in part, through special assessments on property that is specially benefited by the improvement.

Summary: A city or town is authorized to create a local improvement district for financing the construction, maintenance, and repair of railroad crossing protection devices. Property owned by a railroad, railroad company, street railroad, street railroad company, or regional transit authority is exempt from levies assessed by such a district.

Votes on Final Passage:

House	69	26	
Senate	39	7	(Senate amended)
House			(House refuses to concur)
Senate	45	4	(Senate receded)

Effective: July 26, 2009

EHB 1087
PARTIAL VETO
C 248 L 09

Improving the effectiveness of the office of minority and women's business enterprises.

By Representatives Kenney, Pettigrew, Hasegawa, Darneille, Chase, Nelson, Sullivan, Dickerson, Hudgins, White and Upthegrove.

House Committee on Community & Economic Development & Trade
Senate Committee on Economic Development, Trade & Innovation

Background: The Office of Minority and Women's Business Enterprises (OMWBE) was created in 1983 with the statutory purpose of providing minority and women-owned business enterprises (MWBE) the maximum practicable opportunity for increased participation in public works contracts and public contracts for goods and services. Among other things, the OMWBE is required to:

- develop and implement programs and a comprehensive plan to provide an opportunity for qualified MWBE to participate in public works and in supplying goods and services to state agencies and educational institutions;
- identify barriers to equal participation by qualified MWBE in state agency and educational contracts;
- establish annual overall goals for MWBE participation for each state agency and educational institution;
- develop and maintain a central MWBE certification list for state agencies and educational institutions; and
- submit an annual report to the Governor and the Legislature outlining the progress in implementing the program.

The OMWBE is the sole authority for certifying minority, women-owned, and socially and economically disadvantaged businesses for participation in public contracting programs. Only small business concerns, as defined by the OMWBE, may be certified.

Annual goals for participation in state contracts by qualified MWBE are established under an administrative rule. The rule uses a percentage of the reporting base, which includes all expenditure for public works, personal services, and the procurement of goods and services by state agencies and educational institutions.

The Director of the OMWBE may establish ad hoc advisory committees as necessary to assist in the development of policies.

Initiative 200 (I-200), adopted by the voters in 1998, prohibits discrimination or preferential treatment in public contracting on the basis of race, sex, color, ethnicity, or nationality. After I-200's passage, Governor Locke issued a directive on the implementation of programs, such as the OMWBE program, in light of I-200. Governor Locke directed that, in accordance with I-200, state agencies could

not consider race, sex, color, ethnicity, or national origin in awarding contracts. Nor could agencies add preferences for meeting MWBE goals or award a contract to a bidder who did not submit the lowest bid but who met MWBE goals. He further directed the OMWBE to continue establishing laudatory, voluntary goals for state agencies and educational institutions to help eliminate improper discrimination by identifying disparities in participation by MWBE in state contracts. He directed these agencies and institutions to intensify their outreach and recruitment efforts to increase the number of available contractors within under represented groups.

In 2006 Governor Gregoire asked state agencies to work with the OMWBE to implement a Supplier Diversity Program. In her letter to the state agency directors, she noted that state contracts with certified MWBE had declined over the previous six years. For minority businesses, the decline was from 5 percent to less than 1 percent and, for women-owned businesses, from 4 percent to 1 percent. She asked the agencies to designate agency leaders, track progress, and implement practical solutions.

Summary: The Minority and Women's Business Strategic Plan. The Office of Financial Management (OFM), in consultation with the Office of Minority and Women's Business Enterprises (OMWBE) and any advisory committee, must develop a strategic plan to improve the effectiveness of state agencies in assisting small minority and women's business enterprises (MWBE) in competing for and receiving state contracts. The plan must be updated annually, with timelines and strategies to:

- facilitate communication with and among MWBE on contracting with the state;
- increase the effectiveness of outreach to MWBE;
- streamline the statewide certification process;
- focus technical assistance to small businesses and certified firms;
- provide an effective training program for state agencies on the certification process and ways to increase the role of MWBE in state contracting;
- address barriers to inclusion of certified firms in the state procurement process, and increase selection of certified firms as prime contractors and subcontractors; and
- develop accountability measures to use in reporting progress.

The OFM must make a preliminary report to the Governor and the Legislature on the plan, and an assessment of progress by September 1, 2009, with annual reports beginning December 1, 2009.

Agency Data Reporting. For the purpose of reporting progress, state agencies and educational institutions must submit, at least annually, data to the OFM and the OMWBE on the participation by qualified MWBE in their contracts. The Director of the OMWBE (Director) must determine the content, format, and reporting schedule for the data reports. The OFM must submit the aggregated data to the Governor and the Legislature.

The OFM must maintain a list of persons at state agencies and educational institutions who are able to present at legislative committee hearings on the progress in assisting MWBE.

OMWBE Advisory Committees. The duties of any advisory committees established by the Director are expanded to include providing the Director with policy advice on current issues. The committees may meet as often as necessary, and the membership must be as diverse and representative as possible of certified MWBE, unless such a requirement would reduce the number of members with relevant knowledge and experience. The membership should include organizations that represent such businesses and should reflect statewide geographic distribution of small businesses. The membership may also include nonvoting representatives of state and local government.

Votes on Final Passage:

House	86	8	
Senate	40	6	(Senate amended)
House	85	12	(House concurred)

Effective: July 26, 2009

Partial Veto Summary: The Governor vetoed the sections relating to the development of a strategic plan by the Office of Financial Management and changing requirements for OMWBE advisory committees.

VETO MESSAGE ON EHB 1087

May 6, 2009

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

Ladies and Gentlemen:

I have approved, except for Sections 1 and 3, Engrossed House Bill 1087 entitled:

"AN ACT Relating to improving the effectiveness of the office of minority and women's business enterprises."

Engrossed House Bill 1087 requires the Office of Financial Management (OFM), in consultation with the Office of Minority and Women's Business Enterprises (OMWBE), to develop a strategic plan to improve the effectiveness of all state agencies in carrying out the purposes of Chapter 39.19 RCW.

I agree with the intended purpose of this bill, which is to provide for increased participation by minority and women-owned and controlled businesses in public works projects and in providing goods and services to state government. However, OFM was not provided the financial resources necessary to carry-out requirements of Section 1 of this bill. Therefore, I am vetoing Section 1.

Section 3 prescribes the structure of advisory committees that may be established by OMWBE. The proposed language is unnecessarily prescriptive. In fact OMWBE has established an advisory committee that meets the criteria outlined in Section 3. The committee has been meeting since September 2008. As a result, I am also vetoing Section 3.

While I am vetoing Sections 1 and 3 of this bill, I am signing Section 2 because it supports my efforts to achieve supplier diversity. I am also directing OFM to assist OMWBE in identifying ways of increasing participating of minority and women-owned and controlled business in providing services to the state.

For these reasons, I have vetoed sections Veto Sections 1 and 3 of Engrossed House Bill 1087. With the exception of Sections 1 and 3, Engrossed House Bill 1087 is approved.

Respectfully submitted,

Christine O. Gregoire
Governor

SHB 1103

C 525 L 09

Concerning the estates of vulnerable adults.

By House Committee on Judiciary (originally sponsored by Representatives Moeller, Green, Morrell and Kenney).

House Committee on Judiciary
Senate Committee on Judiciary

Background: Financial Exploitation of Vulnerable Adults. The Abuse of Vulnerable Adults Act provides a number of protections for vulnerable adults, including authorizing the Department of Social and Health Services and law enforcement agencies to investigate complaints of abandonment, abuse, financial exploitation, or neglect of vulnerable adults.

A vulnerable adult includes a person who:

- is age 60 years or older who has a functional, mental, or physical inability for self-care;
- has been found to be incapacitated;
- has a developmental disability;
- resides in a licensed facility such as a nursing home, adult family home, or residential habilitation center; or
- is receiving hospice or home health services.

Financial exploitation is the illegal or improper use of property, income, resources, or trust funds of the vulnerable adult by any person for any person's profit or advantage other than for the vulnerable adult's profit or advantage.

Inheritance Rights. Under certain circumstances, an individual who takes the life of another is not entitled to inherit property or receive any benefit from the person he or she killed. This rule, in statute as part of the state's estate distribution laws, is commonly referred to as the slayer statute. A slayer is a person who participates, either as a principal or an accessory before the fact, in the willful and unlawful killing of any other person. The slayer statute is broadly construed by the courts to enforce the state's policy that no person should be allowed to profit by his or her own wrongdoing.

Summary: An abuser may not inherit property or any benefit from a deceased person who, at any time during life in which the decedent was a vulnerable adult, was the victim of financial exploitation by the abuser. An abuser is a person who participates, either as a principal or an accessory before the fact, in the willful and unlawful financial exploitation of a vulnerable adult.

Disposition of Property. In most cases, an abuser is treated the same as a slayer with respect to the distribution of the decedent's estate.

Ratification. An abuser may inherit property or benefits from the vulnerable adult's estate if the vulnerable adult knew of the financial exploitation and subsequently ratified his or her intent to transfer the property interest or benefit to the abuser. The court must find by clear, cogent, and convincing evidence that the decedent ratified the abuser's conduct.

Abuser Designation. A criminal conviction for conduct constituting financial exploitation against a decedent, including but not limited to theft, forgery, fraud, identity theft, robbery, burglary, or extortion, is conclusive for the purposes of determining whether a person is an abuser. In the absence of a criminal conviction, a court may find by clear, cogent, and convincing evidence that:

- the decedent was a vulnerable adult at the time the alleged financial exploitation took place; and
- the conduct constituting financial exploitation was willful action or willful inaction causing injury to the property of the vulnerable adult.

Department of Social and Health Services Findings. Findings of abuse made by the Department of Social and Health Services are not admissible in any claim or proceeding to determine whether a person is an abuser for inheritance purposes.

Common Law Remedies. The provisions of the act are supplemental to, and do not derogate from, other statutory or common law proceedings, theories, or remedies, including the common law allocation of the burden of proof or production among the parties.

Statute Cross-References. Statutes are amended that are cross-referenced by the existing slayer statute related to:

- joint community property agreements;
- retirement benefits; and
- the Trust and Estate Dispute Resolution Act.

Slayer Designation. A criminal conviction for the willful and unlawful killing of a decedent is conclusive for the purposes of determining whether a person is a slayer. In the absence of a criminal conviction, a court may find by a preponderance of the evidence that a person participated in the willful and unlawful killing of the decedent.

Votes on Final Passage:

House	94	0	
Senate	45	0	(Senate amended)
House	94	0	(House concurred)

Effective: July 26, 2009

SHB 1110
C 190 L 09

Prohibiting advertising and marketing to students receiving home-based instruction and their parents.

By House Committee on Education (originally sponsored by Representatives Sullivan, Liias, Upthegrove, Orwall and Simpson).

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

Background: Home-Based Instruction. Washington law recognizes the desire of some parents to seek home-based instruction for their children. There are statutory requirements to insure that a sufficient basic educational opportunity is provided to children receiving home-based instruction; however, decisions relating to philosophy or doctrine, selection of curriculum, methods, and time and place of instruction are left to parental discretion.

Learning Programs and School District Notification Requirements. Students receiving home-based instruction, as well as those enrolled in private schools, may take courses at or receive ancillary services from the local school district. For instance, such students may enroll part-time in digital programs, electronically delivered learning that occurs primarily away from the classroom. School districts are required to provide certain digital program information to students and parents, including information regarding whether or not the program covers the learning goals or essential academic learning requirements and whether it permits students to meet one or more of the state's or district's graduation requirements.

Similarly, students receiving home-based instruction or enrolled in private schools are eligible to participate in Running Start at institutions of higher education. School districts must provide general information about the program to all students in grades ten, eleven, and twelve and the parents and guardians of those students.

School districts are also required to annually inform parents of the district's intradistrict and interdistrict enrollment options and parental involvement opportunities.

Summary: School districts may not disseminate advertising, marketing, or other unsolicited information about learning programs to students or parents who have filed the statutorily required declaration of intent regarding home-based instruction. "Learning programs" includes, but is not limited to, digital learning programs, part-time enrollment opportunities, and other alternative learning programs. School districts may respond to parents' requests for information. General mailings or newsletters sent to all households in a district are not covered by the prohibition.

Votes on Final Passage:

House	94	0
Senate	45	0

Effective: July 26, 2009

HB 1113
C 6 L 09

Financing the school construction assistance grant program.

By Representatives Driscoll, Warnick, Dunshee, Probst, Carlyle, Wallace, White, Chase, Ormsby, Seaquist, Simpson, Goodman, Wood, Sullivan, Maxwell, Orwall, Hinkle and Santos.

House Committee on Capital Budget
Senate Committee on Ways & Means

Background: Bond Authorization. Washington periodically issues general obligation bonds to finance projects authorized in the state capital and transportation budgets. General obligation bonds pledge the full faith and credit and taxing power of the state toward payment of debt service. Legislation authorizing the issuance of bonds requires a 60 percent majority vote in both the House of Representatives and the Senate. The State Finance Committee, composed of the Governor, the Lieutenant Governor, and the State Treasurer, is responsible for supervising and controlling the issuance of all state bonds.

Bond authorization legislation generally specifies the account or accounts into which bond sale proceeds are deposited, as well as the source of debt service payments. When debt service payments are due, the State Treasurer withdraws the amounts necessary to make the payments from the State General Fund and deposits them into the bond retirement funds.

Washington's indebtedness is limited by both a statutory and a constitutional debt limit. The State Treasurer may not issue any bonds that would cause the debt service on the new, plus existing bonds, to exceed 7 percent of general state revenues averaged over three years in the case of the statutory limit and 9 percent under the constitutional limit. For purposes of the debt limit, "general state revenues" is defined in the state Constitution and by statute.

There are several categories of state general obligation debt that are excluded from the 9 percent constitutional debt limit including: (1) voter-approved debt; (2) bonds payable from the gas tax and motor vehicle license fees; (3) bonds payable from income received from the investment of the Permanent Common School Fund; (4) debt issued to meet temporary deficiencies in the State Treasury and debt issued to pay current expenses of state government; (5) debt issued in the form of bond anticipation notes; (6) debt payable solely from revenues of particular public improvements; (7) debt that has been refunded; and (8) state guarantee of voter-approved general obligation debt of school districts.

The authorized bond amount includes an additional amount to allow for original issuance discount on the bonds and for cost of issuance. The original issuance discount is a reduction from the par value at the time the bonds are issued. It is the difference between the stated

redemption price at maturity and the issue price. In recent history, with relatively low interest rates, bonds have been sold with original issuance premium.

School Construction Assistance Grant Program. The School Construction Assistance Grant Program (Grant Program) was established in 1947 to assist local school districts with their school plant facilities. The State Board of Education was the authorizing agency for this Grant Program until a change in 2006 made state support for providing school facilities the sole responsibility of the Office of the Superintendent of Public Instruction (OSPI). The Grant Program provides funding for limited facility planning and matching funds for school construction and renovations.

School districts are eligible for a Study and Survey grant every six years. The Study and Survey is an overall analysis of the school district's facilities, educational programs and plans, student population projections, capital finance and operating capabilities, and identification of needs for new construction, modernization or replacement of facilities. A school district must complete a Study and Survey in order to be considered for state assistance through the Grant Program.

Three factors determine the amount of state assistance a district may receive through the Grant Program, including: (1) the square footage of instructional space for which the state will provide matching funds (eligible area); (2) the cost per square foot the state will match (area cost allowance); and (3) the matching ratio which relates to equalizing the school districts' wealth by providing a greater percentage of state matching funds to economically disadvantaged districts.

Summary: The State Finance Committee is authorized to issue $133 million in state general obligation bonds for the School Construction Assistance Grant Program.

The State Treasurer is required to withdraw from state general revenues the amounts necessary to make the principal and interest payments on these bonds and to deposit these amounts into the Debt-Limit General Fund Bond Retirement Account.

An appropriation in the amount of $130 million in bonds is made to the OSPI for the Grant Program.

Votes on Final Passage:

House	97	0
Senate	47	0

Effective: February 18, 2009

SHB 1119

C 436 L 09

Concerning the management of funds held by nonprofit institutions.

By House Committee on Judiciary (originally sponsored by Representatives Pedersen, Rodne, Goodman and Kelley; by request of Uniform Legislation Commission).

House Committee on Judiciary
Senate Committee on Judiciary

Background: The Uniform Management of Institutional Funds Act (UMIFA) was enacted in 1973. The UMIFA provides guidelines for the management, investment, and expenditure of funds held by charitable institutions. The UMIFA applies to institutions that are organized and operated exclusively for educational, religious, or charitable purposes, including governmental organizations if they hold funds exclusively for any of these purposes.

The UMIFA establishes the standard of conduct that applies to an institution's decisions in managing institutional funds, making investment decisions, and authorizing expenditures from the fund. The institution must exercise ordinary business care and prudence, considering the long- and short-term needs of the institution, its present and anticipated financial requirements, expected total return on investments, price level trends, and general economic conditions.

The UMIFA provides specific investment authority for an institution, unless limited in a gift instrument, to invest in any type of property, retain property contributed by a donor, and invest institutional funds in a pooled or common fund. An institution may delegate the authority to make investment decisions to its committees or agents or to independent investment advisors.

The UMIFA allows an institution to spend as much of the net appreciation of an endowment fund over the historic dollar value of the fund as the institution deems prudent. Historic dollar value means the total of all contributions to the fund, with each contribution valued at the time it was made.

The UMIFA also contains procedures for removing restrictions in a gift instrument on the use or investment of the gift. A restriction in the gift instrument may be released either with the written consent of the donor, or through court order if the court finds that the restriction is obsolete, inappropriate, or impracticable, and the donor's consent cannot be obtained due to death, disability, or unavailability.

In 2006 the National Conference of Commissioners on Uniform State Laws approved a revised version of the UMIFA – the Uniform Prudent Management of Institutional Funds Act – to update the standards and guidelines that apply to managing, investing, and spending funds of charitable institutions.

Summary: The UMIFA is repealed and replaced with the Uniform Prudent Management of Institutional Funds Act.

Standard of Conduct. Decisions regarding management and investment of institutional funds and expenditures or accumulations of endowment funds must be made in good faith and with the care an ordinarily prudent person would use in similar circumstances.

Managing and Investing Institutional Funds. Additional rules are provided for the management and investment of institutional funds. An institution must consider the charitable purposes of the institution and the institutional fund, and diversify investments unless the purposes of the fund are better served without diversification. A person with special skills or expertise has a duty to use the skills or expertise in managing and investing institutional funds.

The factors that must be considered in making investment decisions are expanded, and decisions concerning an individual asset must be made not in isolation, but in the context of the overall investment strategy.

Delegation of Management and Investment of Institutional Funds. Standards for the delegation of management and investment decisions to an agent are provided. An institution must act in good faith with the care of a reasonably prudent person in selecting an agent, establishing the scope and objectives of the delegation, and periodically reviewing and supervising the agent. An agent has the duty to use reasonable care in managing and investing institutional funds. An institution that makes a delegation in conformance with the prudence standard is not liable for acts of the agent.

Expenditures or Accumulations of Endowment Funds. The standard that applies to an institution's decisions about making expenditures from or allowing accumulations to an endowment fund is revised. An institution may make expenditures from or accumulate as much of the endowment fund as the institution determines is prudent for the uses, purposes, and duration for which the endowment fund is established. Seven factors are established in evaluating expenditure decisions.

Restrictions on Use or Investment of Institutional Funds. The circumstances under which a court may modify a restriction in a gift instrument that is impracticable, wasteful, or impossible to achieve are expanded. Any modification must be consistent with the donor's probable intent and the charitable purposes expressed in the gift instrument.

An institution may release a restriction in a gift instrument without court approval if the fund subject to the restriction is more than 20 years old and has a value of less than $75,000, as long as the institution uses the property in a manner consistent with the charitable purposes expressed in the gift instrument. The $75,000 limitation is increased annually by $2,500, beginning July 1, 2011.

The Attorney General must be provided notice of any proposed modification of a purpose or restriction in a gift instrument.

Application. The act applies to all institutional funds on and after July 1, 2009. Before July 1, 2009, the act applies to institutional funds that existed on the effective date of the act only if the institution's governing body elects to apply the act to the institutional funds before July 1, 2009.

Votes on Final Passage:

House	96	0	
Senate	45	0	(Senate amended)
House			(House refuses to concur)
Senate	49	0	(Senate amended)
House	93	0	(House concurred)

Effective: May 11, 2009

HB 1120

C 218 L 09

Concerning uniform laws.

By Representatives Pedersen, Rodne, Goodman and Morrell; by request of Uniform Legislation Commission.

House Committee on Judiciary
Senate Committee on Judiciary

Background: The Uniform Legislation Commission (Commission) was established to promote uniformity of legislation with other states. The Commission meets with similar commissions from other states at the National Conference of Commissioners on Uniform State Laws to draft and recommend uniform laws for approval and adoption by the various states. The Governor appoints the board of commissioners, which consists of three members who are typically judges, law professors, or other members of the bar. In addition, the Code Reviser serves as a member of the board of commissioners.

The Commission's authorizing statute directs it to examine the specific subjects of marriage and divorce, insolvency, descent and distribution of property, and the execution and probate of wills, in addition to other subjects where the uniformity of states' laws is desirable, but that are outside the jurisdiction of the U.S. Congress.

The commissioners are not compensated for their service but are reimbursed for travel expenses. In addition, expenses are allowed for one annual meeting of the Commission in Washington, and for the members to attend a conference of commissioners outside Washington no more than once per year.

Summary: The Uniform Legislation Commission is renamed the Washington State Uniform Law Commission and its authorizing statute is updated and revised.

Qualifications for members of the Commission are established. A commissioner must be a resident of Washington, a member of a state bar association, and a current or former judge, law professor, legislator, or practicing

attorney. In addition to the current number of commissioners, the Governor may appoint to the Commission any person who has served at least 20 years on the Commission and who is a life member in the National Conference of Commissioners on Uniform State Laws or its successor.

The statutory charge of the Commission is modified. The Commission must identify areas of the law where uniformity of state laws is desirable and practicable, and either the U.S. Congress lacks jurisdiction to act or it is preferable that the several states enact the laws.

The Commission is directed to propose to the Legislature adoption of the uniform acts developed with other commissioners at the National Conference of Commissioners on Uniform State Laws.

Votes on Final Passage:

House	95	0	
Senate	43	0	(Senate amended)
House	97	0	(House concurred)

Effective: July 26, 2009

HB 1121
C 71 L 09

Creating the Washington state flag account.

By Representatives Rodne, Bailey, Kelley, Moeller, Ross, Simpson, McCoy, Hope, Green, Ormsby, Johnson, Morrell, Smith, Campbell, Armstrong and Conway; by request of Secretary of State and Joint Committee on Veterans' and Military Affairs.

House Committee on State Government & Tribal Affairs
Senate Committee on Government Operations & Elections

Background: The Secretary of State (Secretary) may solicit and accept gifts, grants, conveyances, and bequests for conducting oral histories, archival activities, the Washington State Library, and the Washington State Heritage Center.

Summary: The Secretary may solicit and accept gifts, grants, conveyances and bequests, and devises of real or personal property for the purpose of donating state flags to Washington's military personnel.

The Washington State Flag Account (Flag Account) is created in the custody of the State Treasurer and all donated moneys must be deposited into the Flag Account. Only the Secretary or designee may authorize expenditures from the Flag Account which is subject to allotment procedures, but not appropriation. Expenditures are limited to the purpose of donating state flags to Washington's military personnel.

Votes on Final Passage:

House	95	0
Senate	46	0

Effective: July 26, 2009

ESHB 1123
C 244 L 09

Reducing the spread of multidrug resistant organisms.

By House Committee on Health Care & Wellness (originally sponsored by Representatives Campbell, Morrell, Hunter, Pedersen, Chase, Ormsby, Simpson, Wood and Conway).

House Committee on Health Care & Wellness
Senate Committee on Health & Long-Term Care

Background: Methicillin-Resistant Staphylococcus Aureus. Staphylococcus aureus, or "staph," are bacteria that live on the skin and can cause infections ranging from pimples or boils to more serious infections of the internal organs. The majority of staph infections are minor and do not require treatment with antibiotics. More severe staph infections, however, are often treated with antibiotics. Methicillin-resistant staphylococcus aureus (MRSA) is a strain of staph that has become resistant to methicillin and other antibiotics.

Methicillin-resistant staphylococcus aureus is spread by touch or contact and can enter the body through cuts or surgical incisions. Methicillin-resistant staphylococcus aureus can lead to a range of health consequences from minor skin infections to more serious infections of organs and bones. Most MRSA infections are acquired in hospitals and other health care settings, but the number of MRSA infections acquired in the community has been increasing.

The Incidence of MRSA. In 2007 the Centers for Disease Control and Prevention (CDC) estimated that approximately 94,360 people nationwide developed a serious MRSA infection in 2005. Of these people, the CDC estimated that approximately 18,650 died during a hospital stay related to the infection.

In Washington, the Department of Health (DOH) and local health jurisdictions have issued a variety of reports relating to MRSA that all indicate that the incidence of MRSA in Washington is increasing. For example, data collected by the DOH from hospitals and laboratories participating in Washington's Antibiotic Resistance Sentinel Network indicated that the percentage of staph infections identified as MRSA increased from 28 percent to 43 percent between 2002 and 2004. Data collected by several counties from hospitals, long-term care facilities, and outpatient clinics indicated that the rates of MRSA infections increased between 2003 and 2006.

In November of 2007, the Governor asked the DOH to monitor for invasive MRSA infections through voluntary

lab reporting. Although the monitoring project confirmed that MRSA infections are occurring statewide, the DOH found that the utility of the data was limited. For example, the DOH found that it was impossible to use the data to calculate the total incidence of MRSA in the general population, to determine the severity of a given infection, or to determine whether a given patient was hospitalized.

In 2008 the DOH began to require hospitals to report incidences of MRSA through its Comprehensive Abstract Reporting System (CHARS). The CHARS collects data on patients discharged from a hospital. Information from the CHARS is used to help public health personnel, consumers, purchasers, payers, providers, and researchers make informed decisions regarding health care and health care policy.

Public Education About MRSA. The DOH has developed a variety of materials to educate the public about MRSA. For example, the DOH collaborated with the Tacoma-Pierce County Health Department, Group Health Cooperative, and Multi-Care Health Systems to create a "Living with MRSA" booklet. The booklet contains a variety of information on MRSA including how it is transmitted, how it is treated, and how a person with MRSA should care for himself or herself. The DOH has also developed a fact sheet regarding MRSA skin infections that includes information on how to prevent the spread of the infection.

Hospital Polices on Infection Control. The DOH, by rule, requires hospitals to develop and implement an infection-control program that must include written policies and procedures that are consistent with CDC guidelines. The policies must be specific to service areas when appropriate and must address a variety of issues, including the use of equipment, prevention of cross contamination, environmental management and housekeeping, occupational health, attire, traffic patterns, antisepsis and hand-washing, scrub technique and surgical preparation, biohazard waste management, barrier and transmission precautions, and pharmacy and therapeutics.

Hospitals are required to collect and report data concerning health-care associated infections, phased in as follows:

- beginning July 1, 2008, central line-associated bloodstream infections in the intensive care unit;
- beginning January 1, 2009, ventilator-associated pneumonia; and
- beginning January 1, 2010, surgical site infections for cardiac surgery, total hip and total knee replacement, and hysterectomy.

The DOH is required to convene an advisory committee that may include members representing infection control professionals and epidemiologists, licensed health care providers, nursing staff, organizations representing health care providers and facilities, health maintenance organizations, health care payers and consumers, and the DOH. The purpose of the advisory committee is to make recommendations to the DOH regarding its responsibilities relating to the reporting of health-care associated infections.

Summary: Every hospital in the state must adopt a policy on MRSA by January 1, 2010. The policy must contain the following elements:

- a requirement that the hospital test any patient for MRSA who is a member of a patient population identified as appropriate based on the hospital's MRSA risk assessment;
- a requirement that a patient in the adult or pediatric ICU be tested for MRSA within 24 hours of admission unless the patient has already been tested during that hospital stay or has a previous history of MRSA;
- appropriate procedures for preventing a patient who tests positive for MRSA from transmitting MRSA to other patients, including isolation and cohorting. In hospitals where patients infected or colonized with MRSA will be roomed with patients who are not infected or colonized (or whose status is unknown), the hospital must notify patients that they may be roomed with MRSA-positive patients; and
- a requirement that every patient with a MRSA infection receive oral and written instructions regarding aftercare and precautions against spreading the infection.

A hospital that has identified a hospitalized patient with a MRSA diagnosis must report the infection to the DOH using the CHARS. When making the report, the hospital must use codes used by the U. S. Centers for Medicare and Medicaid Services, when available.

The Advisory Committee on Hospital-Acquired Infections must make an annual recommendation to the DOH as to whether current science supports expanding pre-surgical MRSA screenings prior to open chest cardiac, total hip, and total knee elective surgeries.

A physician, physician assistant, or advanced registered nurse practitioner must note the presence of MRSA on a patient's death certificate if it was a contributing factor in the patient's death.

Votes on Final Passage:

House	97	0	
Senate	45	0	(Senate amended)
House	97	0	(House concurred)

Effective: July 26, 2009

HB 1127
C 382 L 09

Securing credit and debit card information.

By Representatives Hurst and Hinkle.

House Committee on Financial Institutions & Insurance
Senate Committee on Financial Institutions, Housing & Insurance

Background: State law provides that persons who accept credit cards for the transaction of business may only print the last five digits of the credit card number on any receipt given to the cardholder. The expiration date may not be printed. These restrictions only apply to receipts that are electronically printed and do not apply when the means of recording the number is by imprint or handwriting. There is an additional parallel requirement specific to retailers in state law.

In 2003 the federal Fair Credit Reporting Act (Act) was modified to provide protections parallel to those in state law for the truncation of numbers on receipts provided to cardholders. The Act preempts state laws that conflict with the specific provisions regarding truncation of credit card or debit card numbers. The Act is silent on restrictions retained by persons that accept credit cards or debit cards for the transaction of business.

Summary: "Credit card" is defined as "a card or device existing for the purpose of obtaining money, property, labor, or services on credit."

"Debit card" is defined as "a card or device used to obtain money, property, labor, or services by a transaction that debits a cardholder's account, rather than extending credit."

A person that accepts credit cards or debit cards for the transaction of business may not print more than the last five numbers of an account number or print the expiration date on an electronic receipt that is retained by the person or is provided to the cardholder. This restriction does not apply if the means of recording the number is by imprint or handwriting.

A retailer that accepts credit cards or debit cards for the transaction of business may not print more than the last five numbers of an account number or print the expiration date on an electronic receipt that is retained by the person or is provided to the cardholder. This restriction does not apply if the means of recording the number is by imprint or handwriting or if the retailer processes the transaction electronically but takes additional manual measures to ensure that the card is not used fraudulently, including measures that the retailer is contractually obligated to take in connection with accepting a credit or debit card.

Votes on Final Passage:

House	94	0	
Senate	46	0	(Senate amended)
House	97	0	(House concurred)

Effective: July 26, 2009

SHB 1128
C 72 L 09

Changing innovation partnership zone provisions.

By House Committee on Community & Economic Development & Trade (originally sponsored by Representatives Kenney, Bailey, Pettigrew, Chase, Hudgins, Haler, Hasegawa, Darneille, Kelley and Sullivan).

House Committee on Community & Economic Development & Trade
Senate Committee on Economic Development, Trade & Innovation

Background: The Innovation Partnership Zone Program (Program) was created in. The Program has a number of requirements specified in statute.

Process for Innovation Partnership Zone (IPZ) Designation.

Annually on October 1, the Director of the Department of Community, Trade and Economic Development (DCTED) must designate areas within Washington as IPZs. An area seeking consideration must submit an application to the DCTED. The IPZ administrator must be an economic development council, port, workforce development council, city, or county. Each designation is for a four-year period, after which the IPZ must reapply.

Application Evaluation Criteria. The DCTED evaluates applications based on statutory criteria, evidence of estimated economic impact, evidence of forward planning, and other criteria as recommended by the Washington Economic Development Commission (Commission). The estimated economic impact must include evidence of anticipated private investment, job creation, innovation, and commercialization.

In order to be designated, an area must have three types of institutions within its boundaries:

- research capacity in the form of a university or college fostering commercially valuable research, a nonprofit institution creating commercially applicable research, or a national laboratory;
- dense proximity of globally competitive firms in a research-based industry or industries, or of individual firms with innovation strategies linked to a university, community college, nonprofit institution or national laboratory; and
- training capacity either within the IPZ or readily accessible to the IPZ.

In addition, the IPZ application must have the support of a local jurisdiction, a research institution, an educational institution, an industry or cluster association, a workforce development council, and an associate development organization, port, or chamber of commerce. The proposed IPZ must also have the capacity to accommodate firm growth, and have identifiable boundaries within which an applicant will concentrate efforts to connect innovative researchers, entrepreneurs, investors, industry

associations or clusters, and training providers. There must be evidence that the proposed IPZ will promote commercialization, innovation, and collaboration among the IPZ residents.

Performance Measures and Other Program Components. The IPZs are required to provide performance measures as prescribed by the DCTED, including but not limited to, measures of private investment, job creation, and innovation.

The Commission, with advice from an advisory group, has oversight responsibility for the implementation and evaluation of the state's efforts to further innovation partnerships statewide. The Commission must provide information and advice, including grant funding criteria and performance measures, to the DCTED.

By December 31, 2007, the Commission, research institutions, and the Higher Education Coordinating Board (HECB) are required to submit a plan to the Governor and the Legislature to build on existing and develop new intellectual assets and innovation research teams.

By December 31, 2008, the Commission must report to the Governor and the Legislature on performance measures to be used in evaluating innovation research teams, the IPZs, and related programs.

By December 31, 2012, the Commission must submit a biennial assessment and report to the Governor and the Legislature that includes among other activities, the outcomes of the grants for IPZs.

The IPZs are eligible for funds and resources provided by the Legislature or the Governor, and may also be eligible for the Local Infrastructure Financing Tool, Sales and Use Tax for Public Facilities in Rural Counties, and Job Skills Program if the IPZ meets their requirements.

The IPZ Program Status. In 2007, 15 applications were received. On October 1, 2007, the DCTED Director designated 11 as the IPZs. Six of the 11 were awarded $5 million from funds set aside for the Program in the state Capital Budget. The individual grants ranged from $275,000 to $1 million and were awarded to: the Bellingham Innovation Zone, the Grays Harbor Sustainable Industries Zone, the Pullman IPZ, the Spokane University District IPZ, the Tri Cities IPZ, and the Walla Walla Valley IPZ. The balance of the IPZs were designated, but not funded, including: Snohomish Aerospace Convergence Zone, Sequim's North Olympic IPZ, Bothell's Biomedical Manufacturing Corridor, the Columbia River Discovery Corridor IPZ, and the South Lake Union Life Sciences IPZ.

For the 2008 designation process, two applications were received. No designations were made by the DCTED.

Summary: The DCTED is required to design and implement the Program. The Program's purpose is to encourage and support research institutions, training organizations, and globally competitive companies to work cooperatively in geographic proximity to create commercially viable products and jobs.

The DCTED Director is authorized to waive the requirement that the research institution be located within the zone. To receive consideration for the waiver, the applicant must submit a specific plan that describes the institution's unique qualifications and suitability for the IPZ and the ongoing jointly executed activities that will occur.

The DCTED Director is required to make biennial, not annual, designations, and is authorized to withdraw the designation and associated funding of an IPZ that fails after its initial year to meet the performance standards required in its contract with the DCTED.

The DCTED must submit a biennial report on the IPZs to the Governor and the Legislature by December 1 of even-numbered years beginning in 2010. The report must provide information for each zone on its: objectives; funding, tax incentives, and other support obtained from public sector sources; major activities; partnerships; performance measures; and outcomes achieved since the inception of the zone or since the previous biennial report. The Commission must review the DCTED draft report and recommend ways to increase effectiveness in the overall program and the individual IPZs. The Commission's recommendations will be included in the final report submitted by the DCTED.

The Commission's oversight responsibility for implementation of the state's efforts to further innovation partnerships is removed. The Commission, research institutions, and the HECB are required by December 31, 2009, (instead of December 31, 2007) to submit a plan to the Governor and the Legislature to build on existing and develop new intellectual assets and innovation research teams. The Commission must report to the Governor and the Legislature by June 30, 2009, (instead of December 31, 2008) on performance measures to be used in evaluating innovation research teams, IPZs, and related programs.

Votes on Final Passage:

House	96	0
Senate	44	0

Effective: July 26, 2009

HB 1137

C 349 L 09

Protecting landowners' investments in Christmas trees.

By Representatives Finn, Blake, Orcutt, Ormsby, McCune, Morrell, Van De Wege, Sullivan and Herrera.

House Committee on Agriculture & Natural Resources
Senate Committee on Agriculture & Rural Economic Development

Background: An individual or the state may only recover $1 for the cutting, breaking, or removal of a Christmas tree from his or her private property or from public lands. If it

is necessary to file a civil suit to recover the value of the tree or trees, the plaintiff may recover treble (triple) damages on the basis of $3 per tree.

For other timber, however, the plaintiff may recover triple the value of the tree or timber cut, injured, or removed from the plaintiff's land. In addition, a person is guilty of theft if he or she intentionally trespasses on public lands of the state and cuts down, destroys, injures, or removes any tree, timber, or wood growing or lying on the land.

Summary: The provision that allows victims of Christmas tree theft to recover $1 upon demand or $3 if it is necessary to file a civil suit to recover the value of the tree or trees is removed.

Christmas trees are included in existing tree theft statutes that permit a plaintiff to recover treble damages in a civil lawsuit when a person unlawfully cuts down, removes, or injures a tree or timber from the plaintiff's land. In addition, Christmas trees are included in an existing provision that makes it a crime to cut down, destroy, or injure any timber standing or growing on public lands of the state.

Votes on Final Passage:

House	97	0	
Senate	44	0	(Senate amended)
House	97	0	(House concurred)

Effective: July 26, 2009

ESHB 1138

C 438 L 09

Concerning access to employee restrooms in retail stores.

By House Committee on Judiciary (originally sponsored by Representatives Liias, Clibborn, Moeller, Green, Cody, Driscoll, Morrell and Pedersen).

House Committee on Judiciary
Senate Committee on Judiciary

Background: Inflammatory bowel disease (IBD) encompasses a group of conditions of the small and large intestine. The two main categories of IBD are ulcerative colitis and Crohn's disease, both of which typically cause patients to experience diarrhea and abdominal pain, among other symptoms. There is no known cure for IBD. Although a person with IBD may achieve remission through treatment, he or she will likely experience the occasional, acute resurgence of the original symptoms. When a person suffers a resurgence episode, he or she will often require the use of a restroom in order to alleviate his or her discomfort.

Severe IBD may require surgery, including a temporary or permanent colostomy or ileostomy. An ostomy refers to a surgically created opening in the body for the discharge of body wastes. An ostomy device is a receptacle used to collect the diverted waste.

Under public accommodation laws, a retail establishment is not explicitly required to allow a customer access to a non-public restroom. The Human Rights Commission has adopted rules prohibiting a person in the operation of a place of public accommodation from failing to reasonably accommodate the known physical, sensory, or mental limitations of a disabled person, when ordinary service would prevent the person from fully enjoying the place of public accommodation. Whether an accommodation is "reasonable" is determined on a case-by-case basis. Thus, depending on the unique context of a contemplated retail establishment, it may or may not be reasonable for that establishment to provide safe access to an employee restroom.

Summary: Customer Access to Employee Restroom Facilities. A retail establishment with a restroom facility for its employees must allow a customer with an "eligible medical condition" to use the facility during normal business hours if the customer provides written evidence of having an eligible medical condition and either: (1) the employee restroom is reasonably safe and is not located in an area where providing access would create an obvious health or safety risk to the customer; or (2) allowing the customer access does not pose a security risk to the retail establishment or its employees . In addition, a retail establishment must allow *any* customer to use an employee restroom if three or more employees are working at the time the customer requests access to the restroom and either the employee restroom is reasonably safe for the customer or the customer's access to the restroom does pose a security risk to the establishment or its employees.

A retail establishment is not required to make any physical changes to an employee restroom and may require that an employee accompany the customer to the restroom. "Retail establishment" means a place of business open to the general public for the sale of goods or services. It does not include a structure of 800 square-feet or less.

An "eligible medical condition" means Crohn's disease, ulcerative colitis, any other IBD, irritable bowel syndrome, any condition requiring the use of an ostomy device, or any other permanent or temporary medical condition that requires immediate access to a restroom facility.

Written evidence of an eligible medical condition or device must be either: (1) in the form of a signed statement by the customer's health care provider on a form prepared by the Department of Health (DOH); or (2) an identification card issued by a nonprofit organization whose purpose includes serving persons suffering from the medical condition or using an ostomy device. The DOH is required to develop the standard electronic form but is not required to distribute printed versions of the form. It is a misdemeanor to fraudulently use a form as evidence of an eligible medical condition.

Violations. For a first violation, the city or county attorney will issue a warning letter to a retail establishment

and any employee who denies access to an employee restroom in violation of the requirements. For a subsequent violation, the retail establishment or employee is guilty of a civil infraction not to exceed $100.

Qualified Immunity. A retail establishment or an employee is not civilly liable for any act or omission where a customer has been permitted to use a restroom that is ordinarily reserved for employees if the act or omission meets all of the following:

- It is not willful or grossly negligent.
- It occurs in an area of the retail establishment that is not accessible to the public.
- It results in an injury to or death of the customer or any individual other than an employee accompanying the customer.

Votes on Final Passage:

House	90	7	
Senate	41	6	(Senate amended)
Senate	33	12	(Senate amended)
House	93	0	(House concurred)

Effective: July 26, 2009

HB 1148

C 439 L 09

Protecting animals from perpetrators of domestic violence.

By Representatives Williams, Rodne, Simpson, Upthegrove, Haigh, Nelson, Rolfes, Sullivan, Hunt, Liias, Chase, Moeller, Goodman, Ormsby, Hurst, Kenney, Kirby, Eddy, Conway, Pedersen, Dunshee, Dickerson, Hasegawa, Sells, Appleton, Campbell and Herrera.

House Committee on Judiciary
Senate Committee on Judiciary

Background: Domestic violence protection orders are civil orders available when there has been domestic violence committed between one family or household member against another. When issuing an order, the court has discretion to order appropriate relief. Domestic violence protection orders may include provisions: (1) restraining the respondent from committing acts of domestic violence or having any contact with the petitioner or the petitioner's children; (2) excluding the respondent from the residence, workplace, or school of the petitioner or from the day care or school of a child; (3) prohibiting the respondent from knowingly coming within a certain distance of a specific location; (4) ordering that the petitioner have access to essential personal effects; and (5) providing any other relief as the court deems necessary for the protection of the petitioner and other family or household members.

Depending on the circumstances, a violation of a domestic violence protection order can constitute contempt of court, a gross misdemeanor, or a felony. It is a gross misdemeanor when a person knows of the order and the person violates the restraint provisions prohibiting contact with a protected party or violates the restraint provisions prohibiting acts or threats of violence against, or stalking of, a protected party. A violation of a protection order becomes a class C felony if the offender has at least two previous convictions for violating the provisions of an order.

A law enforcement officer must arrest and take into custody a person if the officer has probable cause to believe that the person arrested knew of the domestic violence protection order and violated a restraint provision in the order.

Summary: When a court orders that the petitioner have possession and use of essential personal effects, "personal effects" may include pets. The court may order that the petitioner be granted exclusive custody or control of any pet owned or possessed by the petitioner, respondent, or a minor child residing with either the petitioner or the respondent. The court may prohibit the respondent from interfering with the petitioner's efforts to remove the pet and from knowingly coming within, or knowingly remaining within, a specified distance of specified locations where the pet is regularly found.

It is a gross misdemeanor if the person subject to a protection order knows of the order and violates a provision that prohibits interference with the petitioner's efforts to remove the pet.

Votes on Final Passage:

House	95	2	
Senate	39	5	(Senate amended)
House	94	0	(House concurred)

Effective: July 26, 2009

HB 1155

C 73 L 09

Concerning billing for medical services provided through special education programs.

By Representatives Hinkle, Green, Cody and Wallace; by request of Department of Social and Health Services.

House Committee on Health Care & Wellness
Senate Committee on Health & Long-Term Care

Background: School districts are eligible to receive Medicaid reimbursement for medical services they provide to special education students. In 1993 a system was created through which school districts could seek this Medicaid reimbursement. Key components of this system included:

- establishing a statewide billing agent to act as the state's billing agent for medical services provided through special education programs;
- allowing school districts to act as their own billing agents; and
- requiring the Department of Social and Health Services (DSHS) to establish a reimbursement system

based on the costs of medical services in special education programs.

Under the system, all Medicaid payments would be made directly to the Office of the Superintendent of Public Instruction (OSPI). The OSPI would then disburse the funds, including reimbursement to the DSHS for the state-funded portion of the Medicaid payments, reimbursement for the billing agent's fees, incentive payments to school districts, and disbursements to school districts for special education programs.

As a consequence of a federal audit, the Centers for Medicare and Medicaid Services (CMS) found several problems with this system of reimbursement including the fact that services were being reimbursed on a cost-basis (rather than at a uniform rate) and the OSPI's role in the disbursement system. The CMS ordered the DSHS to change the way in which it calculates reimbursement rates, reimburse the school districts directly, and to end the involvement of the OSPI. In September of 2007 the DSHS complied with the directive, thereby abandoning the 1993 statutory system.

Summary: Statutory provisions relating to billing for medical services provided through special education programs are repealed.

Votes on Final Passage:

House	96	0
Senate	46	0

Effective: July 26, 2009

HB 1156

C 192 L 09

Creating a preference in the alternative route certification program for veterans and national guard members.

By Representatives Anderson, Sullivan, Priest, Haigh, Quall, Dammeier, McCune, Wallace, Kelley and Herrera.

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

Background: Alternative Routes to Teacher Certification. School districts, or districts in cooperation with an educational service district, operate partnerships with one or more higher education teacher preparation programs to provide performance-based alternative routes aimed at recruiting candidates to teach in subject matter and geographic shortage areas. Each district or consortia must apply to the Public Educator Standards Board (PESB) for approval of the alternative route program or programs they want to offer, identify the approved teacher preparation program with which they are partnering and provide assurances with respect to the mentoring which will be provided. The PESB, with support from the Office of the Superintendent of Public Instruction, selects school districts and consortia of districts to receive statewide partnership grant funds to provide one or more of the alternative route programs.

The first four of these programs are known as Routes One, Two, Three, and Four:

- Route One is designed for classified employees with associate's degrees and three years work experience in Washington schools seeking certification in special education or English as a Second Language (ESL). It is anticipated that candidates earn bachelor's degrees and certification in two years or less.
- Route Two is designed for classified employees with bachelor's degrees and three years experience in Washington schools seeking certification in a subject matter or geographic shortage area. It is anticipated that candidates earn certification in one year or less.
- Route Three is designed for individuals with bachelor's degrees, subject matter expertise in a shortage area, and five years experience in the workforce seeking certification in a subject matter or geographic shortage area. It is anticipated that candidates earn certification in one year or less.
- Route Four is designed for individuals with bachelor's degrees who are currently teaching subjects identified as core academic subjects under the federal No Child Left Behind Act under conditional or emergency substitute certificates. It is anticipated that candidates earn certification in one year or less.

Two other alternative routes to teacher certification were created in 2007:

- The Pipeline for Paraeducators program is for individuals with at least three years of classroom experience but without college degrees. Upon completion of an associate's degree, a candidate is eligible to enroll in a Route One alternative route program to obtain a mathematics, special education, or ESL teaching certificate.
- The Retooling to Teach Mathematics and Science program is for current teachers and individuals who are not employed as teachers but who have elementary teaching certificates. These individuals pursue a middle level or secondary mathematics or science endorsement through one of the PESB's pathways to endorsement. Candidates with elementary teaching certificates who are not employed as teachers may seek only a middle level endorsement.

Conditional Scholarship Programs. Conditional scholarships loans that are forgiven in whole or in part in exchange for service as a certificated teacher employed in a Washington K-12 public school, are available. The state forgives one year of loan obligation for every two years a recipient teaches in a public school. Recipients who fail to complete the program or cease to teach in a public school

are required to repay the remaining loan principal with interest and any applicable fees.

The Higher Education Coordinating Board (HECB) administers the conditional scholarships applicable to the alternative route programs. The PESB selects the scholarship recipients.

Summary: Applicants for alternative route programs who are eligible veterans or National Guard members, and who otherwise meet the entry requirements for the program for which application is made, are given preference in admission and for scholarships.

For purposes of the preference eligible veteran or National Guard member is defined as a Washington domiciliary who was an active or reserve member of the United States military or naval forces, or a National Guard member called to active duty, who served in active federal service, in the Army, Navy, Marines, Air Force, Reserve, or National Guard in a war or conflict fought on foreign soil or in international waters or in another location in support of those serving on foreign soil or in international waters. If discharged from service, the person must have received an honorable discharge.

Votes on Final Passage:

House	96	0	
Senate	45	0	

Effective: July 26, 2009

HB 1158

C 330 L 09

Allowing electronic signatures on juror declarations.

By Representatives Goodman, Rodne, Pedersen, Warnick and Klippert; by request of Board For Judicial Administration.

House Committee on Judiciary
Senate Committee on Judiciary

Background: Washington selects jurors at random from voter registration, driver's license, and identicard records. The courts are required to establish a method to preliminarily determine, by a written declaration, whether a person summoned for jury duty is eligible to serve on a jury. Written declarations are typically mailed with the juror summons in the form of a juror questionnaire. Written declarations are signed under penalty of perjury by the person summoned that he or she is eligible for jury service.

Summary: As an alternative to a written declaration and written signature, courts are permitted to establish a means to use an electronic declaration to preliminarily determine whether a person summoned for jury duty is eligible to serve on a jury. Electronic declarations are signed under penalty of perjury by the person summoned for jury service. An electronic signature may be used instead of a written signature. An electronic signature is an electronic sound, symbol, or process attached to or logically associated with a document and executed or adopted by a person with the intent to sign a document.

Votes on Final Passage:

House	96	0	
Senate	44	0	(Senate amended)
House	97	0	(House concurred)

Effective: July 26, 2009

HB 1166

C 384 L 09

Allowing loans to community development financial institutions under the linked deposit program.

By Representatives Hasegawa, Kenney, Simpson, Chase, Ormsby and Santos.

House Committee on Financial Institutions & Insurance
Senate Committee on Financial Institutions, Housing & Insurance

Background: Linked Deposit Program. The stated purpose of the Linked Deposit Program (Program) is to increase access to business capital for the state's certified minority-owned and women-owned businesses. Under the Program, certified businesses can obtain reduced interest rate loans from participating financial institutions.

The State Treasurer is authorized to deposit short-term state treasury surplus funds in public depositories as certificates of deposit (CDs) on the condition that the public depositary make "qualifying loans" under the Program. The state forgoes up to 2 percent in interest on the CDs and passes along the savings to the public depository with the condition that the depository reduces the interest rate for the loan recipients.

Qualifying loans are loans:

- made to certain minority or women's business enterprises or veteran-owned businesses;
- for a period not to exceed 10 years;
- for up to a maximum amount of $1 million for each individual loan;
- at an interest rate that is at least 2 percentage points below the market rate that normally would be charged for a loan of that type; and
- with points or origination fees limited to 1 percent of the loan principal.

Several agencies are involved in the Program. The State Treasurer is authorized to fund the Program. The Office of Minority and Women's Business Enterprises (OMWBE) certifies the eligibility of the minority or women's businesses, monitors the performance of loans, and compiles information on borrowers in the Program. The Department of Veterans Affairs certifies the eligibility of veteran-owned businesses. The Department of Community, Trade and Economic Development provides technical assistance, loan packaging services and, in consultation

with the OMBWE, develops performance indicators for the Program.

Community Development Financial Institutions. A Community Development Financial Institution (CDFI) is a specialized financial institution certified by the U.S. Department of the Treasury to provide loans for community development purposes. A CDFI works in economically distressed markets that are underserved by traditional financial institutions. A CDFI provides financial products such as mortgage financing for low-income homebuyers and not-for-profit developers, flexible underwriting and risk capital for community facilities, and technical assistance, commercial loans, and investments to small businesses in low-income areas. A CDFI might be a regulated institution, such as a credit union, or a non-regulated institution, such as a venture capital fund.

To apply for certification as a CDFI an organization must meet certain requirements, which include:

- have a primary mission of promoting community development;
- be a financing entity;
- primarily serve targeted markets;
- provide development services in conjunction with its financing activities; and
- be a non-government entity and not be under control of any government entity (tribal governments excluded).

Summary: Qualifying loans may be made to a CDFI that is certified by the U.S. Department of the Treasury and that makes loans to certified minority or women's business enterprises. The OMBWE may adopt rules to ensure that loans made by CDFIs are qualifying loans.

Votes on Final Passage:

House	62	33	
Senate	33	12	(Senate amended)
House	64	34	(House concurred)

Effective: July 26, 2009

EHB 1167

PARTIAL VETO

C 385 L 09

Studying the linked deposit program.

By Representatives Hasegawa, Kenney, Simpson, Chase and Santos.

House Committee on Financial Institutions & Insurance
Senate Committee on Financial Institutions, Housing & Insurance
Senate Committee on Ways & Means

Background: Linked Deposit Program. The stated purpose of the Linked Deposit Program (Program) is to increase access to business capital for the state's certified minority-owned and women-owned businesses. Under the Program, certified businesses can obtain reduced interest rate loans from participating financial institutions.

The State Treasurer is authorized to use up to $190 million of short-term state treasury surplus funds for the Program. These funds are deposited in public depositories as certificate of deposits (CDs) on the condition that the public depositary make "qualifying loans" under the Program. The state forgoes up to 2 percent in interest on the CDs and passes along the savings to the public depository with the condition that the depository reduces the interest rate for the loan recipients. The State Treasurer must reduce the amount of the preference to ensure that the effective interest rate on the certificate of deposit is not less than 2 percent. If the preference given to a qualified public depository is less than 200 basis points, the qualified public depository may reduce the interest rate on the loans by an amount that corresponds to the reduction in the preference below 200 basis points.

Qualifying loans are loans:

- made to certain minority or women's business enterprises or veteran-owned businesses;
- for a period not to exceed 10 years;
- for up to a maximum amount of $1 million for each individual loan;
- at an interest rate that is at least 2 percentage points below the market rate that normally would be charged for a loan of that type; and
- with points or origination fees limited to 1 percent of the loan principal.

Several agencies are involved in the Program. The State Treasurer is authorized to fund the Program. The Office of Minority and Women's Business Enterprises (OMWBE) certifies the eligibility of the minority or women's businesses, monitors the performance of loans, and compiles information on borrowers in the Program. The Department of Veterans Affairs certifies the eligibility of veteran-owned businesses. The Department of Community, Trade, and Economic Development provides technical assistance, loan packaging services and, in consultation with the OMWBE, must develop performance indicators for the Program.

Summary: By December 1, 2009, the OMWBE must, in consultation with the State Treasurer and within existing resources, submit recommendations to the Legislature that address the following issues:

- the availability of sources of capital for certified borrowers, including the amounts and interest rates for that capital;
- the loans that are not being funded for certified borrowers under the current Program and why those loans are not being funded;
- the availability of other sources of capital in the marketplace for those non-funded loans of certified borrowers, including the amounts and interest rates for that capital;

- whether there are other institutions that may be willing to make those loans that are currently not being made to certified borrowers under the Program;
- whether the Program could be modified to encourage lenders to make those loans that are not currently being made to certified borrowers and whether the cost of those loans would be a barrier;
- a review of how other states seek to increase access to capital for borrowers that traditionally lack access to capital; and
- the role Community Development Financial Institutions could play in mitigating the cost of lending to certified borrowers who are not currently being served by the Program.

The State Treasurer may reduce the effective interest rate the state receives on CDs to zero percent.

These provisions expire on July 1, 2010.

Votes on Final Passage:

House	95	0	
Senate	46	0	(Senate amended)
House	97	0	(House concurred)

Effective: July 26, 2009

Partial Veto Summary: The Governor vetoed the sections directing the OMWBE to make recommendations to the Legislature on how to address barriers faced by certified small businesses that are not able to participate in the Linked Deposit.

VETO MESSAGE ON EHB 1167

May 7, 2009

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

Ladies and Gentlemen:

I have approved, except for Sections 1 and 2, Engrossed House Bill 1167 entitled:

"AN ACT Relating to the linked deposit program."

Sections 1 and 2 would have created a new obligation to produce a report by the Office of Minority and Women's Business Enterprises. While I support the aim of identifying ways the linked deposit program can be improved and how small businesses can access capital more readily, this bill places a large, unfunded financial burden on a small agency during very tough budget times. For this reason, I have vetoed Sections 1 and 2 of Engrossed House Bill 1167.

With the exception of Sections 1 and 2, Engrossed House Bill 1167 is approved.

Respectfully submitted,

Christine Gregoire

Christine O. Gregoire
Governor

SHB 1170

C 502 L 09

Modifying parenting plans based on the military service of a parent.

By House Committee on Judiciary (originally sponsored by Representatives McCoy, Rodne, Kelley, Warnick, Seaquist, Angel, Green, Shea, Sells, McCune, Kagi, Ormsby and Smith; by request of Washington State Bar Association).

House Committee on Judiciary
Senate Committee on Human Services & Corrections

Background: In dissolution cases in which minor children are involved, the parties must have a parenting plan that provides for the care of the minor children. The parenting plan must include an allocation of decision-making authority to one or both parents regarding the child's education, health care, and religious upbringing. The parenting plan must also include a specific residential schedule designating in which parent's home the child will reside on given days of the year.

Once a parenting plan is final, courts favor stability for the child and will not modify the parenting plan unless certain circumstances exist. The court may modify the nonresidential portions of a parenting plan upon a showing of a substantial change of circumstances to the child or either parent, and the modification is in the child's best interest.

To modify the residential portions of a parenting plan there must be a substantial change in circumstances to the child or to the parent not requesting the modification, and the modification must be necessary to serve the child's best interests. In addition, the court must find that: (1) the parents agree to the modification; (2) the child has been integrated into the petitioning parent's family with the other parent's consent in substantial deviation from the original parenting plan; (3) the child's present environment is detrimental to the child; or (4) the court has found the nonmoving parent in contempt of court at least twice in three years for failure to comply with residential time ordered.

If a parent with whom the child does not reside a majority of time (noncustodial parent) fails to exercise residential time with the child for one year or longer, then the court may make adjustments to the parenting plan in keeping with the child's best interest.

Summary: Procedures are created to address changes in a custody decree or parenting plan when a parent is unable to exercise residential time or visitation because of the parent's military duties.

The effects of a parent's "military duties potentially impacting parenting functions" will not, by itself, be a substantial change of circumstances justifying a permanent modification of a parenting plan. For noncustodial parents, when the court is determining whether the noncustodial parent has failed to exercise residential time for one year, the court may not count any time periods during

which the parent failed to exercise residential time due to the effects of the parent's military duties.

A court may enter a temporary custody order for the child if the parent with whom the child resides a majority of time receives military orders that involve moving a substantial distance away or that would have a material effect on the parent's ability to exercise parenting functions and responsibilities. However, the temporary custody order for the child during the parent's absence must end no later than 10 days after the returning parent gives notice to the temporary custodian. This does not impair the court's ability to conduct an expedited or emergency hearing to resolve the child's residential placement upon the parent's return if a motion if filed alleging an immediate danger of irreparable harm to the child.

When a parent receives military orders that involve moving a substantial distance away or that would have a material effect on the parent's ability to exercise residential time or visitation rights, the court may, at the request of the military parent, delegate that parent's time to a family member or another person, other than a parent, with a close and substantial relationship to the child, if such delegation is in the child's best interest. The court may not delegate residential time or visitation to a person who would otherwise be restricted due to abuse, abandonment, or other statutorily established factors under existing law.

The parties must try to resolve disputes about delegation through the dispute resolution process specified in their parenting plan, unless the court excuses them for good cause. The delegation does not create separate rights to residential time or visitation for the person to whom time is delegated.

Upon a motion by the parent and for good cause shown, the court must hold an expedited hearing in custody and visitation matters when a parent's military duties have a material effect on the parent's ability to appear in person at a hearing. The court must also allow the parent to present testimony and evidence by electronic means.

"Military duties potentially impacting parenting functions" means those obligations imposed, voluntarily or involuntarily, on a parent serving in the armed forces that may interfere with that parent's abilities to fulfill his or her responsibilities under a parenting plan. It includes, but is not limited to deployment, activation, mobilization, and temporary duty.

Votes on Final Passage:

House	97	0	
Senate	45	0	(Senate amended)
House			(House refuses to concur)
Senate	49	0	(Senate amended)
House	93	0	(House concurred)

Effective: July 26, 2009

2SHB 1172

C 474 L 09

Implementing a transfer of development rights program.

By House Committee on General Government Appropriations (originally sponsored by Representatives Simpson, Nelson and Rolfes; by request of Department of Community, Trade and Economic Development).

House Committee on Local Government & Housing
House Committee on General Government Appropriations
Senate Committee on Government Operations & Elections

Background: Transfer of Development Rights. A transfer of development rights (TDR) occurs when a qualifying land owner, through a permanent deed restriction, severs potential development rights from a property and transfers them to a recipient for use on a different property. In TDR transactions, transferred rights are generally shifted from sending areas with lower population densities to receiving areas with higher population densities. The monetary values associated with transferred rights constitute compensation to a land owner for development that may have otherwise occurred on the transferring property.

Programs for transferring development rights may be used to preserve natural and historic spaces, encourage infill, and for other purposes.

Legislation enacted in 2007 directed the Department of Community, Trade and Economic Development (DCTED) to fund a process to develop a regional TDR program that comports with the Growth Management Act. In addition to establishing numerous requirements for the DCTED, the legislation specified that the TDR program must encourage King, Kitsap, Pierce, and Snohomish counties, and the cities within, to participate in the development and implementation of regional frameworks and mechanisms that make TDR programs viable and successful.

Growth Management Act. The Growth Management Act (GMA) is the comprehensive land use planning framework for county and city governments in Washington. Enacted in 1990 and 1991, the GMA establishes numerous requirements for local governments obligated by mandate or choice to fully plan under the GMA and a reduced number of directives for all other counties and cities. Twenty-nine of Washington's 39 counties, and the cities within those counties, fully plan under the GMA.

The DCTED is charged with providing technical and financial assistance to jurisdictions implementing the GMA.

Among other requirements, the legislative authority of each county that fully plans under the GMA must adopt a county-wide planning policy (CPP) in cooperation with the cities located wholly or partially within the county. A CPP is a written policy statement or statements used solely for establishing a county-wide framework from which county and city comprehensive land use plans are

developed and adopted. County-wide planning policies must include specified planning provisions. Examples include:

- policies to implement requirements for urban growth areas designated under the GMA;
- policies for siting public capital facilities of a county-wide or statewide nature; and
- policies for county-wide transportation facilities and strategies.

Additionally, multicounty planning policies must be adopted by two or more counties, each with a population of 450,000 or more and with contiguous urban areas, and may be adopted by other counties.

Puget Sound Regional Council. The Puget Sound Regional Council (PSRC) is an association of cities, towns, counties, ports, and state agencies that serves as a forum for developing policies and making decisions about regional growth and transportation issues in the four-county central Puget Sound region. Membership of the PSRC includes King, Kitsap, Pierce, and Snohomish counties, 72 cities and towns, four port districts, and transit agencies and tribes within the region. Two state agencies, the Department of Transportation and the Transportation Commission, are also members of the PSRC.

Interlocal Agreements. Interlocal agreements allow two or more public agencies, subject to statutory requirements, to enter into agreements to jointly exercise powers, privileges or authorities exercised or capable of being exercised singularly.

Summary: Establishment and Administration of Regional TDR Program. Subject to the availability of specific funding, the DCTED must establish a regional TDR program (regional program or program) in central Puget Sound, including King, Kitsap, Snohomish, and Pierce counties and the cities and towns within those counties. The purpose of the program is to foster voluntary county, city, and town participation in the program, participation that will result in interjurisdictional TDRs. Additionally, private transactions between buyers and sellers of transferable development rights are allowed and encouraged under the program. The program must be guided by the PSRC's multicounty planning policies, and the DCTED must work with the PSRC to implement the program's provisions.

Administrative requirements for the program are specified for the DCTED. For example, the DCTED must encourage participation in the regional program by cities, towns, and counties, and the program must not be implemented in a manner that negatively impacts existing local programs. The DCTED must also encourage and work to enhance the efforts in any of these jurisdictions to develop local TDR programs or enhance existing programs.

If specific funding is available, additional administrative requirements for the program are mandated for the DCTED, including:

- serving as the central coordinator for state government in the implementation of program provisions and requirements;
- offering specific and multi-faceted technical assistance to cities, towns, and counties; and
- working with counties, cities, and towns to inform elected officials, planning commissions, and the public regarding the program.

Adoption of Agency Rules/Interlocal Agreements. The DCTED must develop and adopt by rule terms and conditions of an interlocal agreement for TDRs between counties, cities, and towns. Counties, cities, and towns participating in the regional program may enter into an interlocal agreement to transfer development rights, or may adopt the agency rule, by reference, to transfer development rights across jurisdictional boundaries.

Requirements for Sending and Receiving Areas. Counties must use specified criteria to guide the designation of sending areas for participation in the regional program. The specified criteria pertains to sending area land that:

- is designated as agricultural or forest land of long-term commercial significance;
- is designated as rural and must be farmed or managed for forestry;
- if conserved, meets other state and regionally adopted priorities; and
- is in current use as a manufactured/mobile home park.

Upon purchase of a transferable development right from a qualifying area, a county must include the land from which the right was purchased in any programs it administers for the conservation of agricultural land or forest land.

Receiving areas in the program must be within incorporated cities or towns. Prior to designating a receiving area, a city or town should have adequate infrastructure planned and funding identified for development in the receiving area at densities or intensities that are consistent with what can be achieved under the local TDR program.

Cities and towns participating in the regional program may determine which sending area development rights are used in their designated receiving areas. Additionally, the designation of sending and receiving areas should include a process for public outreach that is consistent with the public participation requirements of the GMA.

Requirements for Program Participation. Counties, cities, and towns that choose to participate in the regional program must:

- enter into an interlocal agreement or adopt a resolution adopting, by reference, the provisions in the relevant DCTED rule;

- adopt TDR policies or implement development regulations that comply with the GMA and with sending and receiving area requirements; and
- adopt a sending or receiving area ratio, as defined in cooperation with the sending or receiving jurisdiction.

Cities and towns participating in the regional program are also encouraged to provide permitting or environmental review incentives for developers.

Performance Measures. The DCTED must develop quantitative and qualitative performance measures for monitoring the regional program. The performance measures may address conservation of land, the creation of compact communities, and other measures identified by the DCTED. The DCTED may require cities, towns, and counties to report on these performance measures biannually. The DCTED must compile any performance measure information reported by jurisdictions and must post the information on a website.

Definitions and Legislative Findings. Definitions and legislative findings pertaining to transferring development rights and the regional program are specified.

Votes on Final Passage:

House	62	35	
Senate	25	19	(Senate amended)
House	66	30	(House concurred)

Effective: July 26, 2009

HB 1184

C 416 L 09

Extending the loan repayment period for conservation projects funded by municipal utilities and public utility districts.

By Representative Chase.

House Committee on Technology, Energy & Communications
Senate Committee on Environment, Water & Energy

Background: Municipal Electric Utility Financing of Energy Conservation Projects. Municipalities that generate, sell, or distribute electricity are authorized, within limits, to assist homeowners with the purchase and installation of materials that increase energy efficiency. Municipal assistance must be limited to conservation purposes in existing structures.

Municipalities may provide an inspection of a house or facility to identify potential conservation projects, provide a list of businesses capable to selling and installing materials needed for a conservation project, arrange to have conservation materials installed by a private contractor, and arrange or provide financing for the purchase and installation of conservation materials.

If a municipality provides financing for the purchase and installation of conservation materials for one of its utility customers, the municipality must be reimbursed by incremental additions to the utility bill. All loans provided by a municipality must be repaid in this manner within 120 months.

Public Utility District Financing of Water Conservation Project. Public utility districts are authorized to assist the owners of structures in financing the acquisition and installation of fixtures, systems, and equipment for the conservation or more efficient use of water in the structures under a water conservation plan adopted by a district. Loans may not exceed 120 months in length.

Summary: The period during which a customer of a municipal utility must repay any loan for increasing energy efficiency is increased from 120 months to 240 months. The period during which a customer of a public utility district must repay any loan for the conservation or more efficient use of water is extended from 120 months to 240 months.

Votes on Final Passage:

House	91	4	
Senate	42	0	(Senate amended)
House	94	3	(House concurred)

Effective: July 26, 2009

HB 1195

C 193 L 09

Regarding payment of undisputed claims.

By Representatives Haigh, Kristiansen and Hunt; by request of Capital Projects Advisory Review Board.

House Committee on State Government & Tribal Affairs
House Committee on Capital Budget
Senate Committee on Government Operations & Elections

Background: Public works contracts contain various provisions covering unanticipated situations that may arise during the course of construction. Such protest and claim clauses generally require the contractor to follow specific notice requirements when seeking additional payment for extra work done and increased expenses incurred. A change from the approved scope of work requiring additional work is accomplished through a change order request. The change order must be approved by the public owner before the contractor can receive payment for the work.

Summary: A state or municipality must issue a change order to a public works contract for the full dollar amount of the work not in dispute within 30 days of satisfactory completion of the additional work. Failure to do so will result in interest paid by the state or municipality on the undisputed amount at a rate of 1 percent per month.

Votes on Final Passage:

House	95	0
Senate	46	0

Effective: July 26, 2009

HB 1196

C 74 L 09

Increasing the dollar limit for small works roster projects.

By Representatives Haigh, Kristiansen, Hunt and Armstrong; by request of Capital Projects Advisory Review Board.

House Committee on State Government & Tribal Affairs
Senate Committee on Government Operations & Elections

Background: State agencies and certain local governments may use a small works roster process to award contracts for public works estimated to cost $200,000 or less. A single roster may be created or different rosters created for different specialties or categories of anticipated work. In addition, distinctions may be made between contractors based on geographic areas. The agency or local government may solicit bids from all appropriate contractors on the roster, but at a minimum five bids must be solicited. The contract, if awarded, is awarded to the lowest responsible bidder. An effort must be made to equitably distribute the opportunity among contractors on the appropriate roster if bids are solicited from fewer than all contractors on the roster.

If the estimated cost of the work is between $100,000 and $200,000, and the state agency or local government chooses to solicit bids from fewer than all the appropriate contractors, the remaining contractors on the roster must be notified that quotations on the work are being sought.

Summary: The maximum dollar amount allowed for use of a small works roster process is raised from $200,000 to $300,000, and the dollar amount requiring notification of all contractors on the roster is changed from between $100,000 and $200,000 to between $150,000 and $300,000.

Votes on Final Passage:

House	95	1
Senate	43	4

Effective: July 26, 2009

HB 1197

C 75 L 09

Regarding alternative public works contracting procedures.

By Representatives Haigh, Kristiansen, Hunt and Armstrong; by request of Capital Projects Advisory Review Board.

House Committee on State Government & Tribal Affairs
House Committee on Capital Budget
Senate Committee on Government Operations & Elections

Background: Alternative methods for constructing public works were first used on a very limited basis and then adopted in statute in 1994 for certain pilot projects. These alternative procedures include a design-build process, a general contractor/construction manager (GCCM) process, and a job order contracting process. Originally, the use of these alternative methods were limited to a handful of public entities.

The design-build procedure is a multi-step competitive process to award a contract to a single firm that agrees to both design and build a public facility that meets specific criteria. The contract is awarded following a public request for proposals for design-build services. Following extensive evaluation of the proposals, the contract is awarded to the firm that submits the best and final proposal with the lowest price.

The GCCM method employs the services of a project management firm that bears significant responsibility and risk in the contracting process. The government agency contracts with an architectural and engineering firm to design the facility and, early in the project, also contracts with a GCCM firm to assist in the design of the facility, manage the construction of the facility, act as the general contractor, and guarantee that the facility will be built within budget. When the plans and specifications for a project phase are complete, the GCCM firm subcontracts with construction firms to construct that phase. Initial selection of the GCCM finalists is based on the qualifications and experience of the firm.

In 2003 job order contracting was authorized as an alternative public works contracting procedure. Under a job order contract, a contractor agrees to perform an indefinite quantity of public works jobs, defined by individual work orders, over a fixed period of time. A public entity may not have more than two job order contracts in effect at any one time. The maximum total dollar amount that is awarded under a job order contract may not exceed $2 million in the first year, $5 million over the first two years, or $8 million over a three-year period if the contract is renewed or extended. The authority to use job order contracting is limited to the Department of General Administration (GA), the University of Washington (UW), Washington State University (WSU), certain cities and counties, port

districts, certain public utility districts, school districts, and the state ferry system.

In 2005 the Capital Projects Advisory Review Board (CPARB) was established to monitor and evaluate the use of traditional and alternative public works contracting procedures and to evaluate potential future use of other alternative contracting procedures. In 2007 the CPARB presented recommendations for the expanded use of these procedures and processes that were enacted into law. A project review committee (review committee) was created to certify public bodies to use either design-build, the GCCM, or both procedures, or to approve projects on a project-by-project basis. The use of the procedures is generally limited to projects with a total project cost of $10 million or more. However, the GCCM process may be used on projects with a total project cost of less than $10 million with the approval of the committee.

Summary: The CPARB must develop guidelines to be used by the review committee for review and approval of design-build demonstration projects that include procurement of operations and maintenance services. In turn, the review committee may authorize two design-build demonstration projects that include operations and maintenance services for a period of longer than three years.

The review committee may approve up to 10 demonstration projects using the design-build process for projects with a total project cost between $2 and $10 million. Public bodies certified to use design-build must seek approval from the review committee for these projects. The review committee must report to the CPARB on recommendations for continued use of the design-build procedure for projects estimated under $10 million.

Changes are made to clarify that public bodies seeking certification for the design-build procedure must demonstrate successful management of at least one design-build project within the previous five years, and those seeking certification for the GCCM process must demonstrate successful management of at least one GCCM project within the previous five years.

Honorarium payments for design-build projects are made to the finalists submitting responsive proposals rather than those submitting a "best and final" proposal. Sealed bids on final proposals for the GCCM projects must be opened and read in public, and all previous scoring must be made available to the public.

The GA, the UW, and WSU may issue job order contract work orders for the state regional universities and The Evergreen State College.

The statute regarding negotiated adjustments to the lowest bid or proposal for design-build projects is repealed.

Votes on Final Passage:

House	96	0
Senate	47	0

Effective: July 26, 2009

HB 1199

C 219 L 09

Regarding retainage of funds on public works projects.

By Representatives Haigh, Kristiansen, Hunt and Armstrong; by request of Capital Projects Advisory Review Board.

House Committee on State Government & Tribal Affairs
Senate Committee on Government Operations & Elections

Background: In most instances, the general contractor on a public works project is required to post a performance bond to faithfully perform all work under the contract and to pay laborers, material suppliers, and subcontractors. In addition, a retainage of up to 5 percent of the contract amount is required on public works contracts to be paid to the contractors 45 days after the completion of the project. The amount serves as a trust fund for payment of laborers, subcontractors, material suppliers, and excise taxes that are imposed on the contract.

Summary: Obsolete references relating to retainage of funds on public works contracts entered into prior to September 1, 1992, are removed. Statutes related to timely payment of interest on unpaid public contracts, public works retainage, excess over lien claims to contractor, and duties of the disbursing officer upon final acceptance of contract are each repealed.

Votes on Final Passage:

House	96	0
Senate	46	0

Effective: July 26, 2009

SHB 1201

C 319 L 09

Establishing the community integration assistance program.

By House Committee on Human Services (originally sponsored by Representatives O'Brien, Dickerson, Hurst and Appleton).

House Committee on Human Services
Senate Committee on Human Services & Corrections

Background: As of the late 1990s, the Department of Corrections (DOC) did not have a way of providing wrap-around services for offenders who completed their criminal sentence under the Sentencing Reform Act, but who were mentally ill and potentially posed a threat to public safety.

In 1999 legislation was enacted that requires the DOC to identify offenders in its custody who are believed to be dangerous to themselves and others and who have a mental disorder or illness. Once identified, the DOC is required to develop a release plan for treatment and support

services that may be needed once the offender leaves the custody of the DOC. A team which includes representatives from the DOC, the Division of Mental Health and other appropriate divisions of the Department of Social and Health Services (DSHS), and other treatment providers are required to help develop the offender's release plan for delivery of treatment and support services.

An offender is eligible for the wraparound services upon release if the offender is determined to be likely to have a major mental disorder and has been assessed as a high risk to be a danger to himself or others. The program that provides services to a mentally ill offender is administered through the DSHS. The person who has been identified for these wraparound services is eligible to receive them for five years after his or her release. Between July 1, 2000, and June 30, 2008, 517 individuals were designated as eligible for the wraparound services. While participation in the program is considered voluntary by the DSHS, the DOC may require that the offender participate in services as a part of his or her supervision in the community. Under the 1999 legislation, these offenders were designated as "dangerous mentally ill offenders."

As a result of a work group which met throughout 2008, mental health professionals, law enforcement, county representatives, prosecutors, defense attorneys, legislators and others gathered proposals and information that may be used to increase the effectiveness of the program which provides wraparound services to mentally ill offenders. One proposal was to have an offender who is designated as needing the wraparound services for mentally ill offenders execute a mental health advanced directive (MHAD) before being released from the custody of the DOC.

Any person, mentally ill or not, can sign a MHAD. In a MHAD, a person, while not in a decompensated state, can indicate what type of mental health treatment they are willing to undergo should they decompensate. A valid MHAD can provide consent for mental health treatment in situations where the person is in a decompensated mental state and is either not consenting to treatment or is unable to give direction regarding treatment. A MHAD may be revoked by the person, even as their mental health deteriorates.

Summary: If the offender has been designated as having a mental illness and assessed as a high risk to be a danger to himself or herself or others, the members of the DOC and other mental health professionals must offer assistance to the offender in executing a mental health directive as a part of the development of a plan for the delivery of treatment and support services to the offender upon release. Such assistance must be offered after the offender has been fully informed of the benefits, scope, and purpose of a mental health directive.

The name of the program which provides wraparound services to offenders who have a mental illness is changed to the Offender Re-entry Community Safety Program.

Votes on Final Passage:

House	97	0	
Senate	46	0	(Senate amended)
House	97	0	(House concurred)

Effective: July 26, 2009

SHB 1202
C 76 L 09

Allowing noninsurance benefits as part of life insurance policies.

By House Committee on Financial Institutions & Insurance (originally sponsored by Representatives Hurst, Bailey, Kelley, Roach, Kirby and Parker).

House Committee on Financial Institutions & Insurance
Senate Committee on Financial Institutions, Housing & Insurance

Background: The Insurance Commissioner (Commissioner) oversees individual and group life insurance contracts that are issued or delivered in this state.

Under the insurance code, the state is a member of the Interstate Insurance Product Regulation Compact (Compact). The Compact became operational in May of 2006. The Compact is the legal arrangement. It creates an Interstate Insurance Product Regulation Commission (Commission). The Commission will develop product standards and receive, review, and approve products. A standard must be approved by two-thirds of the members of the Commission before it can be adopted. Each compacting state has one representative on the Commission. The Commissioner is the representative from the state. The state may opt-out of a product standard in either of two ways. First, legislation may be enacted to opt out of any product standard at any time for any reason. Second, the state may also opt-out by rule-making of the Office of the Insurance Commissioner (OIC). To opt-out by rule, the OIC must make specific findings of fact and conclusions of law in determining that the standard does not provide reasonable protections to the citizens of the state.

An insurer may file products for approval with the OIC for use in this state. Instead of, or in addition to, filing a product with the OIC, an insurer may file a product for approval with the Commission prior to use by the insurer. A product approved by the Commission may be used in any compacting state, including this state.

The practice of law is overseen by the Washington Supreme Court (Supreme Court). A person who provides legal services, who is not a licensed lawyer or otherwise authorized by law to provide legal services, may be engaging in the unauthorized practice of law. The unauthorized practice of law is a crime in this state.

Summary: A life insurer may include specific noninsurance benefits as part of a policy of individual or group life

insurance, with the prior approval of the Commissioner, such as:

- will preparation services;
- financial planning and estate planning services;
- probate and estate settlement services; and
- other services adopted by rule of the Commissioner.

The Commissioner is not required to approve any particular proposed noninsurance benefit. Any proposed noninsurance benefit that the Commissioner determines may tend to promote or facilitate a violation of the insurance code may be disapproved by the Commissioner.

The Commissioner may adopt rules to ensure disclosure of the noninsurance benefits.

Persons or businesses providing the noninsurance services must be appropriately licensed. The authority and ethical obligations of those who are authorized by the Supreme Court to practice law in this state is not affected. The prohibition against the unauthorized practice of law is not affected. The application of the state securities laws is not affected.

Votes on Final Passage:

House	97	0
Senate	44	0

Effective: July 26, 2009

SHB 1205

C 77 L 09

Adding one judge to division two of the court of appeals.

By House Committee on Ways & Means (originally sponsored by Representatives Van De Wege, Rolfes, Haigh and Williams; by request of Board For Judicial Administration).

House Committee on Judiciary
House Committee on Ways & Means
Senate Committee on Judiciary

Background: The Washington Court of Appeals is a nondiscretionary appellate court and therefore must hear all cases filed with the court. All appeals of superior court decisions, except those that may be appealed directly to the Supreme Court, are heard by the Court of Appeals. There are three divisions of the Court of Appeals, headquartered in Seattle, Tacoma, and Spokane. Each of the three divisions is further divided into three geographic districts. Judges of the Court of Appeals are elected by district to six-year terms. They must be residents of the districts from which they are elected and must have been admitted to the practice of law in this state for at least five years.

Division II of the Court of Appeals is headquartered in Tacoma and has a total of seven judge positions, allocated as follows to the three districts:

- three judges in District 1, which consists of Pierce County;
- two judges in District 2, which consists of Clallam, Grays Harbor, Jefferson, Kitsap, Mason, and Thurston counties; and
- two judges in District 3, which consists of Clark, Cowlitz, Lewis, Pacific, Skamania, and Wahkiakum counties.

Summary: The number of judges authorized in Division II of the Court of Appeals is increased from seven to eight. The new judge position is allocated to District 2 of Division II, increasing the number of judge positions for District 2 to three.

The new judge position becomes effective only if the position is specifically funded and referenced by division and district in an omnibus state appropriations act.

Votes on Final Passage:

House	96	1
Senate	46	0

Effective: July 26, 2009

E2SHB 1208

C 350 L 09

Concerning property tax administration.

By House Committee on Finance (originally sponsored by Representatives Takko and Alexander).

House Committee on Local Government & Housing
House Committee on Finance
Senate Committee on Government Operations & Elections

Background: County treasurers operate under the authority of various state statutes relating to the receipt, processing, and disbursement of funds. County treasurers are the custodian of the county's money and the administrator of the county's financial transactions. In addition to their duties relating to county functions, county treasurers provide financial services to special purpose districts and other units of local government, including receipt, disbursement, investment, and accounting of the funds of each of these entities. County treasurers are responsible for the collection of various taxes, including legal proceedings to collect past due amounts, and other miscellaneous duties, such as conducting bond sales and sales of surplus county property.

Among a county treasurer's duties in collecting taxes is the establishment of the county's tax rolls. The county treasurer's establishment of the yearly tax rolls is the prerequisite to the county treasurer having the authority to levy and receive taxes. Until 2007, the county treasurer could not receive tax payments prior to February 15. In 2007 legislation was enacted that eliminated this requirement. The county treasurer may now receive tax payments once the tax roll for the current year's collection is complete.

The first half of property taxes are due by April 30 and the second half on October 31. The interest rate on delinquent property taxes is 12 percent.

Property tax refunds may be made if there has been a mistake or an error in the tax bill. Also, refunds are given if the property's value has been reduced due to an appeal. The claim for refund must be made within three years after the taxpayer paid the property tax. However, the county legislative authority may order a refund for an unlimited period.

Diking, drainage, or sewerage improvement district assessments for construction or maintenance of improvements are collected in the same manner as property taxes. The annual assessments or installments of assessments for construction and maintenance and repairs are due in two equal installments. The first is payable by May 30 and the second by November 30. The rate of interest on late delinquencies is 10 percent.

The real estate excise tax is collected by the county treasurer. The tax generally applies to sales of real property. The county treasurer must put a stamp on the instrument of sale or conveyance showing the tax has been paid before the instrument may be filed with the county auditor.

Summary: Beginning Date for the Collection of Taxes and Assessments. Statutes that reference the February 15 property tax collection date are amended to reference the date of the completion of the tax roll rather than the date of tax collection. These amendments clarify that a county treasurer is authorized to begin collecting various taxes and assessments once he or she completes the yearly tax roles.

Property Tax Refund Claims. All property tax refund claims must be filed with the county treasurer within three years of the due date for payment. The discretionary power of the county legislative authority to authorize such refunds beyond this three year time limit is eliminated.

Payment of Assessments by Diking, Drainage, and Sewerage Improvement Districts. The payment dates for diking, drainage, or sewerage improvement district assessment are changed to the dates used for property tax collections: April 30 for the first half payment and October 31 for the second half. The interest rate charged on delinquent assessment payments is increased from 10 to 12 percent per annum.

Official Verification of the Payment of Real Estate Excise Taxes and Liens. Prior to the recording of the sale of property subject to the real estate excise tax or a tax lien, a county treasurer is required to affix a "verification of payment" to specified official documents to evidence payment of the tax or the satisfaction of the lien. The requirement that the treasurer use a "stamp" to verify such payment is eliminated.

Authorization of Tax Levies for Payment of Tax Refunds and Tax Abatement Reimbursement. Local taxing districts are authorized to levy additional property taxes for the following purposes:

- funding the payment of tax refunds, including interest, as ordered by the county treasurer or county legislative authority; and
- reimbursing the taxing district for tax abatements resulting from real or personal property that: (1) has been destroyed in whole or in part; or (2) is located in a disaster area and has been reduced in value by more than 20 percent.

These provisions apply retroactively to January 1, 2009, and apply to taxes levied for collection in 2010 and thereafter.

Approval of Open Space Tax Applications. Open space tax applications for properties that are located in incorporated areas must be authorized by the granting authority through either one of two alternative methods:

- by a resolution passed at a joint meeting of the county and city granting authorities (members may participate telephonically); or
- by separate, but identical, resolutions adopted at separate meetings of the city and county granting authorities approving an identical application.

Votes on Final Passage:

House	97	0	
Senate	36	10	(Senate amended)
House	60	38	(House concurred)

Effective: July 26, 2009

SHB 1215

C 351 L 09

Modifying motor vehicle warranty provisions.

By House Committee on Commerce & Labor (originally sponsored by Representatives Wood, Chandler, Kirby, Ormsby and Morrell; by request of Attorney General).

House Committee on Commerce & Labor
Senate Committee on Labor, Commerce & Consumer Protection

Background: The Motor Vehicle Warranty Act (Act), also known as the state's "lemon law," establishes the rights and responsibilities of consumers, dealers, and manufacturers when new or nearly new vehicles are defective. Motorcycles are considered motor vehicles for application of the Act.

The Act requires that notice of manufacturers' warranties be given to consumers along with information to assist the consumer who needs to repair a defective vehicle. Once repair is requested, the manufacturer must make a reasonable effort to repair the vehicle. If, after reasonable attempts to repair the vehicle, the defects continue to exist, the consumer may request replacement of the vehicle or repurchase of the defective vehicle by the manufacturer.

The Act establishes three bases for a claim:

- a vehicle with a serious safety defect that the manufacturer has unsuccessfully attempted to repair at least two times;
- a vehicle with some other substantial defect that the manufacturer has unsuccessfully attempted to diagnose or repair at least four times; or
- a vehicle that has been out of service for 30 cumulative calendar days with at least 15 of those days occurring during the warranty period.

At least one of the repair attempts needs to happen during the "warranty period," which is within two years of the vehicle being delivered to the customer or the first 24,000 miles of operation, whichever occurs first.

If either party disputes the need to impose a remedy, a party may first seek arbitration of the dispute. The Attorney General manages the arbitration process and contracts with private arbitration boards. Arbitration boards may award either replacement or repurchase of the vehicle by the manufacturer and a consumer's attorneys' fees for the arbitration process if the manufacturer is represented by an attorney.

Manufacturers may resell a nonconforming vehicle if the nonconformity can be eliminated and the manufacturer so warrants. Designations must be placed on the title of vehicles that have been returned to the manufacturer under the lemon law and then resold.

A violation of the Act is also a violation of the Consumer Protection Act.

Summary: Basis for Claims. In addition to the three existing bases for claims under the Act, a basis is added for two or more serious safety defects that occur within a 12-month period. A serious safety defect is a life threatening malfunction or nonconformity. Each of the defects must have been subject to diagnosis or repair one or more times. In the case of motor homes, a consumer must provide notice of the defects to the manufacturers. The manufacturers may perform a safety evaluation of the motor home and provide a written report to the consumer.

Warranties. The term "warranty period" is replaced with the term "eligibility period."

Warranties include modifications by new motor vehicle dealers if the dealer is installing the manufacturer's authorized parts according to the manufacturer's specifications. The definition of manufacturer is extended to include a post-manufacturing modifier of a motor prior to the initial retail sale or lease. If a customer requests a modification that would partially or completely void the manufacturer's warranty, a dealer is required to provide a disclosure, signed and dated by the customer, that says: "Your requested modification may void all or part of a manufacturer warranty and a resulting defect or condition may not be subject to remedies afforded by the Motor Vehicle Warranties Act, chapter 19.118 RCW."

The warranty provisions are extended to motor vehicles purchased or leased by members of the armed forces regardless of whether the vehicle was purchased or leased in Washington.

Arbitration Process. Changes are also made to the arbitration process. The Attorney General may manage certain aspects of the process rather than contracting out to an arbitration board for the entire process.

Title for Reacquired Vehicles. Within 60 days of receiving a reacquired vehicle, the manufacturer must apply for a new title with the Department of Licensing. The Department of Licensing must issue a new title with a title brand indicating that the vehicle was returned to the manufacturer under the Act and provide information that the nonconformity has been corrected.

Application. The provisions are remedial in nature and apply retroactively to the effective date of the Act.

Votes on Final Passage:

House	96	1	
Senate	45	0	(Senate amended)
House	97	0	(House concurred)

Effective: July 26, 2009

ESHB 1216
PARTIAL VETO
C 497 L 09

Concerning the capital budget.

By House Committee on Capital Budget (originally sponsored by Representatives Dunshee, Warnick and Ormsby; by request of Governor Gregoire).

House Committee on Capital Budget
Senate Committee on Ways & Means

Background: The programs and agencies of state government are funded on a biennial basis, beginning on July 1 of each odd-numbered year. The State Capital Budget includes appropriations for the acquisition, construction, and repair of capital assets such as state office buildings, prisons, juvenile rehabilitation centers, mental health facilities, public health facilities, and higher education facilities. The Capital Budget funds a variety of environmental and natural resource projects, parks and recreational facilities, and grants for public K-12 school construction, and has a number of grant and loan programs that support housing, public infrastructure, community service facilities, and art and historical projects.

The primary source of funding for the State Capital Budget is state general obligation bonds, with trust revenues and dedicated fees and taxes also contributing.

Summary: The 2009-11 State Capital Budget authorizes $3 billion in new capital projects, of which $1.8 billion are financed with new state general obligation bonds. Reappropriations in the amount of $2.4 billion are authorized for projects yet to be completed that were approved in prior biennia. State agencies are also authorized to enter into a variety of alternative financing contracts.

The 2009 Supplemental State Capital Budget authorizes $209 million from new state general obligation bonds.

Votes on Final Passage:

House	62	33	
House	63	33	
Senate	31	15	(Senate amended)
House	61	35	(House concurred)

Effective: May 15, 2009
July 1, 2009 (Sections 6020, 6021, and 6024 - 6027)

Partial Veto Summary: The Governor vetoed five sections of the capital budget bill. Three of the sections restrict the required purchase of artwork for capital facilities with 0.5 percent of the project funds to artists residing in Washington. A duplicative section relating to the Puget Sound Partnership's review of natural resource projects was vetoed, and a Department of Corrections section requiring the Office of Financial Management to undergo a budget evaluation study of the expansion of the reception center at the Washington Corrections Center was vetoed because funds were not appropriated to continue the project.

VETO MESSAGE ON ESHB 1216

May 15, 2009

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

Ladies and Gentlemen:

I have approved, except for Sections 2063, page 70, lines 12 through 15; 6028; 6029; 6030; and 6049 of Substitute House Bill 1216 entitled:

"AN ACT Relating to the capital budget."

Section 2063, page 70, lines 12 through 15, Department of Corrections

This proviso requires the Office of Financial Management to undertake a budget evaluation study of the project to expand the reception center at the Washington Corrections Center. Because no funding was provided to continue this project, the study is unnecessary at this time. Therefore, I am vetoing this section.

Section 6028, pages 239-240, Superintendent of Public Instruction

Section 6029, pages 240-241, Universities and Colleges

Section 6030, page 241, State Agencies

These sections direct the Washington State Arts Commission to restrict the purchase of artwork to artists residing in Washington State for projects involving state-assisted K-12 school construction, state colleges and universities, and all state agencies. This restriction could have negative impacts on Washington artists who may be performing work on public works projects in other states. Therefore, I have vetoed these sections.

Section 6049, page 257, Puget Sound Partnership

I am vetoing this section because it is duplicative of Section 6010 on page 225.

For these reasons, I have vetoed Sections 2063, page 70, lines 12 through 15; 6028; 6029; 6030; and 6049. With the exception of Sections 2063, page 70, lines 12 through 15; 6028; 6029; 6030; and 6049, Substitute House Bill 1216 is approved.

Respectfully submitted,

Christine O. Gregoire
Governor

HB 1217
C 78 L 09

Providing the gambling commission with authority to determine locations where amusement games may be conducted.

By Representatives Simpson, Alexander, Conway and Wood; by request of Gambling Commission.

House Committee on Commerce & Labor
Senate Committee on Labor, Commerce & Consumer Protection

Background: Under the Gambling Act (Act), the Washington State Gambling Commission (Commission) regulates wagering on activities such as social card games, bingo, raffles, amusement games, punch boards, pull-tabs, and fund-raising events.

Several sections of the Act address amusement games. An amusement game is a game played for entertainment that involves active participation by the contestant and that awards merchandise prizes only, such as crane games. Certain other criteria must be met.

The Act authorizes the Commission to issue licenses allowing persons, associations, and organizations to conduct or operate amusement games in such a manner and at such locations as the Commission may determine. The Act lists particular locations where amusement games may be conducted including certain fairs, civic centers, and amusement parks.

Commission rules allow licensed amusement game operators to conduct amusement games at commercially-operated family sports complexes, skating facilities, and grocery and department stores.

Summary: The Commission is expressly authorized to license any person, association, or organization to operate amusement games at locations that are in addition to those listed in the Act.

Votes on Final Passage:

House	96	1
Senate	44	1

Effective: July 26, 2009

HB 1218
C 37 L 09

Changing the requirement that contempt of court sanctions be served in the county jail.

By Representatives Goodman, Klippert, O'Brien, Ross, Simpson and Williams.

House Committee on Judiciary
Senate Committee on Judiciary

Background: A judge or commissioner may impose sanctions for contempt of court. Contempt of court generally involves disorderly conduct in a judicial proceeding,

disobedience of a court order, or unlawful refusal to appear or cooperate as a witness or to produce records or documents.

Sanctions imposed for contempt of court may be either punitive or remedial. Punitive sanctions are imposed to punish a past contempt of court and remedial sanctions are imposed to coerce performance with a court order. A proceeding to impose a punitive sanction must be initiated by the prosecuting or city attorney, and a proceeding for a remedial sanction may be initiated by the court on its own motion or the motion of an aggrieved person. In addition, a judge presiding in an action may immediately and summarily impose either a remedial or punitive sanction for a contempt of court committed in the judge's presence.

A court may impose a monetary penalty, imprisonment, or both, as either a remedial or punitive sanction for contempt of court. The contempt of court statute provides that imprisonment imposed in a proceeding for a punitive sanction, or for contempt committed in the presence of a judge, must be served in the county jail.

Summary: The contempt of court statute is revised to allow detention imposed for contempt of court to be served in any jail, not just in the county jail.

Votes on Final Passage:

House	95	0
Senate	48	0

Effective: July 26, 2009

SHB 1221

C 38 L 09

Concerning counseling for witnesses in civil commitment proceedings under chapter 71.09 RCW.

By House Committee on Public Safety & Emergency Preparedness (originally sponsored by Representatives Maxwell, Hurst, O'Brien, Rodne, Hope, Pedersen, Smith, McCoy, Bailey, Williams, Kirby and Dickerson; by request of Attorney General).

House Committee on Public Safety & Emergency Preparedness
Senate Committee on Human Services & Corrections

Background: The Washington Crime Victims' Compensation Program (Program) administered by the Department of Labor and Industries (L&I) provides benefits to innocent victims of criminal acts. A person is generally eligible to receive benefits in the form of medical treatment or lost wages if he or she was injured by a criminal act that occurred in Washington, provided that:

- the crime was reported to law enforcement within one year of its occurrence or within one year from the time a report could reasonably have been made; and
- the application for benefits is made within two years after the crime was reported to law enforcement or the rights of the beneficiaries or dependents accrued.

"Criminal act" is defined as: (1) an act committed or attempted in Washington, which is punishable as a felony or gross misdemeanor under the laws of Washington; (2) an act committed outside Washington against a resident of Washington which would be compensable had it occurred inside the state, and the crime occurred in a state which does not have a Program; or (3) an act of terrorism.

Victims of sexual assault are entitled under the Program to receive benefits in the form of appropriate counseling services. Under certain circumstances, counseling services may also be provided for members of the victim's immediate family other than the perpetrator of the assault.

A right to benefits is available to the victim of a person against whom the state initiates civil commitment proceedings. The right to benefits accrues when the victim is notified of the civil commitment proceedings, or the victim is interviewed, deposed, or testifies as a witness in connection with the proceedings. Benefits are limited to compensation for costs or losses incurred on or after the date the right to benefits accrues. The victim must file an application for benefits within two years of the accrual, unless the Director of L&I determines that good cause exists to expand the time to receive the application.

Summary: The victim of a sex offense that occurred outside Washington who has been notified, interviewed, deposed, or has testified in civil commitment proceeding of the perpetrator may receive benefits for appropriate mental health counseling to address distress arising from participation in the proceedings. Fees for mental health counseling are to be determined according to the fee schedule in the Industrial Insurance statute.

Votes on Final Passage:

House	96	0
Senate	46	0

Effective: July 26, 2009

SHB 1225

C 352 L 09

Clarifying the effect of special fuel taxes on publicly owned or operated urban passenger transportation systems.

By House Committee on Transportation (originally sponsored by Representatives Liias, Rodne, Upthegrove, Roach, Simpson and Rolfes).

House Committee on Transportation
Senate Committee on Transportation

Background: Transportation funding in Washington is supported by a variety of taxes and fees. The majority of statewide transportation revenue comes from a tax on motor vehicle and special fuel, vehicle licensing fees, and gross weight fees. Vehicle fuels are taxed under the Motor Vehicle Fuel Tax Act or the Special Fuel Tax Act. The

rate for both the motor vehicle and special fuel tax is 37.5 cents per gallon.

The special fuel tax applies to all combustible gases and liquids suitable for generating power to propel motor vehicles, except gasoline. The main types of fuels subject to the special fuel tax are diesel, natural gas, propane, butane, and a certain dyed fuel prescribed by federal law.

Several categories of uses are exempt from the special fuel tax, including using such fuel in government-owned or operated motor vehicles, for street and highway construction and maintenance purposes in publicly-owned fire fighting equipment, and in special mobile equipment related to construction.

In addition, urban passenger transportation systems and other specially-defined carriers are exempt from paying the special fuel tax. "Urban passenger transportation system" means every publicly or privately-owned transportation system that has bus fares as its principal source of revenue, transports passengers in vehicles with a seating capacity of more than 15 people, and travels over routes that do not extend more than 25 road miles beyond the corporate limits of the county in which the trip originated.

All public transportation systems, like city-owned transit agencies and public transportation benefit areas, meet the basic definition of an urban passenger transportation system. However, bus fares are typically not the principal source of revenue for a public transportation system. In addition, some public transportation systems contract with other service providers to provide bus service that extends 25 road miles or more beyond the county in which the buses originated.

Summary: It is clarified that all publicly-owned and operated urban passenger transportation systems are exempt from the special fuel tax. The definition of "urban passenger transportation system" is modified to address privately-owned systems separately from publicly-owned and operated systems. Existing requirements and limitations included in the definition for urban passenger transportation systems are made applicable only to those privately-owned systems. The requirements and limitations applicable only to privately-owned systems include: (1) having fare revenue as a principal source of revenue, and (2) transporting passengers on routes that do not extend 25 road miles beyond the boundaries of the county in which the trip originated.

A publicly-owned and operated urban passenger transportation system is defined to include public transportation benefit areas, metropolitan municipal corporations, city-owned transit systems, county public transportation authorities, unincorporated transportation benefit areas, and regional transportation authorities.

Votes on Final Passage:

House	69	28	
Senate	32	12	(Senate amended)
House	66	31	(House concurred)

Effective: July 26, 2009

EHB 1227

C 79 L 09

Concerning recreational vehicles used as primary residences in manufactured/mobile home communities.

By Representatives Springer, Warnick, Johnson, Liias, McCune, Ormsby and Morrell.

House Committee on Local Government & Housing
Senate Committee on Financial Institutions, Housing & Insurance

Background: Cities, towns, code cities, and counties may not enact any ordinance that has the effect of discriminating against consumer decisions to locate a home unless the ordinance is equally applicable to all homes. Local governments, however, may require that manufactured homes be new and that they comply with all local design standards.

Additionally, statutes allowing jurisdictions to place age and design criteria on manufactured housing apply only to housing to be sited in:

- new manufactured/mobile home communities; or
- outside of manufactured/mobile home communities.

Summary: With limited exceptions, cities, towns, counties, and code cities are prohibited from adopting ordinances that restrict the entry or require the removal of recreational vehicles used as primary residences in manufactured/mobile home communities. Exceptions to this prohibition are allowed if the recreational vehicle fails to comply with fire, safety, or other local ordinances or state laws related to recreational vehicles. Additionally, local governments enacting an ordinance that does either of the following are exempted from the prohibition:

- requires utility hookups in manufactured/mobile home communities meet applicable state and federal building code standards; or
- requires a recreational vehicle to contain both an internal toilet and an internal shower. If this requirement is not met, the manufactured/mobile home community hosting the recreational vehicle must provide toilets and showers.

Votes on Final Passage:

House	88	7
Senate	44	0

Effective: July 26, 2009

HB 1238
C 440 L 09

Allowing the Washington center for court research and the office of public defense to access juvenile case records.

By Representatives Appleton, Goodman and Rodne; by request of Board For Judicial Administration.

House Committee on Judiciary
Senate Committee on Human Services & Corrections

Background: A court may permit the inspection or release of juvenile court records to an individual or agency engaged in legitimate educational, scientific, or public research.

Juvenile Court Records Retention. Subject to statutory requirements regarding retention of identifying information, all juvenile court records maintained by any court or law enforcement agency must be automatically destroyed within 90 days of becoming eligible for destruction.

Washington State Office of Public Defense. The Washington Office of Public Defense (OPD) is required to implement the constitutional and statutory guarantees of counsel and to ensure effective and efficient delivery of state-funded indigent defenses services. By statute, the OPD provides oversight and technical assistance to ensure the effective and efficient delivery of services in the OPD's program areas.

Summary: Juvenile Court Records Retention. The Administrative Office of the Courts is permitted to maintain an electronic research copy of all juvenile records in the judicial information system. The research copy is not subject to any records retention schedule and must include records destroyed or removed from the judicial information system. Access to the research copy is available only to the Washington State Center for Court Research (WSCCR). The WSCCR is required to maintain the confidentiality of all confidential records and preserve the anonymity of all persons identified in the research copy.

Washington State Office of Public Defense. The OPD may access court records needed to implement the OPD's oversight, technical assistance, and other agency functions required by statute. Use of the records is limited to the OPD. The OPD is required to maintain the confidentiality of all confidential information included in the records.

Votes on Final Passage:

House	76	21	
Senate	44	1	(Senate amended)
House			(House refuses to concur)
Senate	44	1	(Senate receded)

Effective: July 26, 2009

SHB 1239
C 526 L 09

Addressing parenting plans and residential schedules in dependency proceedings.

By House Committee on Early Learning & Children's Services (originally sponsored by Representatives Kagi, Walsh, Goodman, Haler, Roberts, Appleton, Moeller and Kenney).

House Committee on Early Learning & Children's Services
Senate Committee on Human Services & Corrections

Background: Children's dependency cases are initiated in the juvenile division of the superior court because Washington's juvenile courts have exclusive original jurisdiction over dependency matters. When the permanency plan for a dependent child calls for a third-party custody arrangement, the juvenile court may hear and decide such matters when:

- the child's parent(s) and the third party agree to the order; and
- the juvenile court finds the order is in the child's best interests and approves the order.

When the permanency plan for a dependent child calls for reunification with only one of the child's parents, or when implementation of the permanent plan requires the entry or modification of a parenting plan, the child's parents must file and pursue a separate action in the family court because the juvenile court does not have authority to hear parenting plan cases. Waiting for the finalization of the parenting plan case through the family court may result in delaying permanency for the child if entry or modification of the parenting plan is necessary and sufficient for dismissal of the dependency.

Summary: The juvenile court overseeing a child dependency case may also hear and decide matters to establish or modify a permanent parenting plan in order to implement a permanent plan of care for the child and dismiss the dependency. The juvenile court's authority over parenting plan matters is subject to the following:

- The court must make a written finding that the parenting plan is in the child's best interests.
- Matters relating to child support and division of marital property must be referred to or retained by the family law division of the superior court.

When hearing and deciding matters for agreed parenting plans, the juvenile court may:

- appoint a guardian ad litem to represent the child's interests;
- appoint an attorney to represent the child's interests; or
- interview the child in chambers under the same conditions as permitted in family court.

A parent who does not agree to the juvenile court deciding matters necessary to develop or modify a parenting plan needed to dismiss the child's dependency case, may file a motion for transfer of the case to the family court. The juvenile court may grant the motion only if it finds the transfer of the case to the family court is in the child's best interests.

The filing fee for the entry or modification of a parenting plan must be waived for indigent parents whose parenting plans are being decided in the juvenile court as part of the dependency process.

Votes on Final Passage:

House	95	0	
Senate	47	0	(Senate amended)
House			(House refuses to concur)
Senate	46	0	(Senate amended)
House	94	0	(House concurred)

Effective: July 26, 2009

ESHB 1244

PARTIAL VETO

C 564 L 09

Making operating appropriations for fiscal years 2007-2009 and 2009-2011.

By House Committee on Ways & Means (originally sponsored by Representatives Linville, Alexander and Ericks; by request of Governor Gregoire).

House Committee on Ways & Means
Senate Committee on Ways & Means

Background: The state government operates on a fiscal biennium that begins on July 1 of each odd-numbered year. Supplemental budgets frequently are enacted in each of the following two years. Appropriations are made in the biennial and supplemental budgets for the operation of state government and its various agencies and institutions, as well as for K-12 public schools.

Summary: Total General Fund-State (GF-S) appropriations for the 2009-11 biennium are $29.3 billion. Total Near General Fund-State (NGF-S) appropriations are $31.4 billion. The total budget is $58.7 billion; this includes dedicated and federal funds.

The 2009 second supplemental operating budget reduces appropriations for the 2007-09 biennium by $57.3 million for GF-S (for a $29.2 billion revised total GF-S), reduces appropriations by $455.7 million for NGF-S (for a $32.6 billion revised total NGF-S), and increases appropriations for the total budget by $461.9 million (for a $57.3 billion revised total budget).

Votes on Final Passage:

House	54	42
Senate	29	20

Effective: May 19, 2009

Partial Veto Summary: The governor vetoed a number of provisions as the result of policy differences, technical matters, or other reasons. See the veto message for specific items.

VETO MESSAGE ON ESHB 1244

May 19, 2009

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

Ladies and Gentlemen:

I am returning, without my approval as to Sections 103(6); 105(3); 105(5); 117(2); 117(4); 117(5); 124(3); 126(5); 128(7); 128(11); 128(15); 128(17); 128(24); 137(4); 148(5); 152, page 39, lines 20-26; 153, page 39, lines 34-36 and page 40, lines 1-4; 204(4)(a); 205(1)(h); 205(1)(q); 207(4); 209(10); 209(11); 209(14); 209(15); 209(33); 218(12); 218(13); 218(14); 222(3); 222(20); 223(2)(b); 223(2)(f); 302 page 104, lines 18 and 19; 302(11); 302(18); 303(2); 303(4); 307(5); 309(4); 309(5); 401, page 120, lines 7, 17 and 18; 401(3); 402(3); 614(1); 616(8); 805, page 205, lines 29-31; 805, page 206, lines 33-35; 936; 948; 955; 1104(1); 1104(2); and 1105(1) of Engrossed Substitute House Bill 1244 entitled:

"AN ACT Relating to fiscal matters."

I have vetoed the following appropriation items because of concerns with policy or technical issues relating to the legislative provisions:

Section 105(3), page 6, Office of the State Actuary, University of Washington Medical Center and Harborview Medical Center Financial Reporting

Funding is provided from the Department of Retirement Systems Expense Account for the Office of the State Actuary to assist the University of Washington Medical Center and Harborview Medical Center with the financial reporting of their postretirement benefits liabilities. Because the University of Washington will reimburse the State Actuary for its assistance, no appropriation is needed for this purpose. For this reason, I have vetoed Section 105(3).

Section 105(5), page 6, Office of the State Actuary, Health Benefits Study

The Legislature provided $735,000 for the State Actuary to conduct an actuarial study comparing the cost of providing health benefits to employees of the Washington state retirement systems and the cost paid by employees and employers for those benefits. The study cannot be completed with the funding provided, nor is it an authorized use of the Health Care Authority Administrative Account. For these reasons, I have vetoed Section 105(5).

I recognize that this approach was intended to reflect the intentions of Second Substitute Senate Bill 5491, which did not pass. This measure would have required the Health Care Authority to develop a strategy to reduce the cost of providing health benefits for K-12 employees. This is an appropriate goal and I will work with the Legislature and the Office of the Superintendent of Public Instruction on this goal.

Section 117(2), (4) and (5), pages 13-15, Office of the Governor, Coal-Fired Energy Plants

These provisos require convening of a joint legislative and executive task force on coal-fired energy plants to evaluate alternatives for how existing plants can meet the greenhouse gas emissions performance standards mandated by Engrossed Second Substitute Senate Bill 5735. While I support the goal of reducing greenhouse gas emissions and am committed to working toward that end with the owners of the state's remaining coal-fired plant, this measure did not pass and I have therefore vetoed Section 117(2),(4), and (5).

Section 124(3), page 18, State Auditor, Performance Audit Reporting

The State Auditor is required to report to the Legislature on state expenditure savings achieved from the implementation of performance audits, with legislative intent to reduce the scheduled

transfer from the Performance Audits of Government Account to the General Fund when actual savings are demonstrated. Because the Auditor's Office cannot require agencies to implement performance audit recommendations, the appropriation should not be based on savings the Auditor cannot direct. Therefore, I have vetoed Section 124(3).

Section 126(5), pages 19-20, Attorney General, Human Trafficking Violations

Funding is provided for the Attorney General's Office to implement Section 4 of Engrossed Second Substitute Senate Bill 5850. On May 14, 2009, I vetoed Section 4 of this measure, thus eliminating the need for the Attorney General's Office to engage in this effort. For this reason, I have vetoed Section 126(5).

Section 128(7), page 23, Department of Community, Trade and Economic Development, Associate Development Organizations

This proviso requires associate development organizations receiving funding from the Department of Community, Trade and Economic Development to coordinate workforce and economic development activities with community and technical colleges, and to identify clusters of related industries. While I am supportive of these coordination efforts, the proviso is in conflict with Substitute House Bill 1323, which assigns responsibility for identification and alignment of industry clusters to the Workforce Training and Education Coordinating Board and local Workforce Development Councils. For this reason, I have vetoed Section 128(7).

Section 128(15), pages 24-25, Department of Community, Trade and Economic Development, County Life-Cycle Cost Analysis

This proviso requires counties receiving certain state affordable housing funds to include life- cycle cost analysis as a criterion in housing award decisions and to submit annual reports to the state on distribution of funds. Two bills with similar provisions did not pass the Legislature during the 2009 Session. While I encourage analytical tools like life-cycle cost analysis, I do not believe the budget bill is an appropriate vehicle for these policy provisions. For this reason, I have vetoed Section 128(15).

Section 128(17), page 25, Department of Community, Trade and Economic Development, Economic Development Commission Study

This proviso requires the Economic Development Commission to conduct a review of state infrastructure programs and deliver a report on policy and funding options to the Legislature and the Governor. No funding was provided to the Economic Development Commission for this work. Additionally, I would expect that such a review would occur within the Department of Community, Trade and Economic Development's work to develop recommendations for its core mission and programs as the Department of Commerce. For these reasons, I have vetoed Section 128(17).

Section 148(5), page 37, Liquor Control Board, Increasing Appropriations

This proviso would increase funding to the Liquor Control Board in the event that Senate Bill 6065 was not passed by the Legislature. That bill did not pass. I remain committed to reorganizing the agency so that it is administered by a single director, with a voluntary board providing policy oversight. Therefore, I do not believe it is appropriate to increase its funding at this time. For this reason, I have vetoed Section 148(5).

Section 204(4)(a), pages 57-58, Department of Social and Health Services, Report on Competency Evaluations

The Department of Social and Health Services is required to report on the waiting periods experienced for competency evaluations and competency restoration treatment. No funding was provided for these activities. For this reason, I have vetoed Section 204(4)(a).

Section 205(1)(h), page 61, Department of Social and Health Services, New Freedom Waiver Program

This proviso allows the Department of Social and Health Services to expand the New Freedom Waiver Program. However, the program is administered in the Long Term Care Program, and identical language is included in that program's section of the budget. For this reason, I have vetoed Section 205(1)(h).

Section 205(1)(q), page 63, Department of Social and Health Services, Developmental Disabilities Employment and Day Services

The Department of Social and Health Services is directed to establish a minimum number of service hours for employment and day services offered as part of a Medicaid waiver program. This requirement creates a potential conflict with federal requirements that a client's individual assessed need is the only determinant for the number of authorized service hours. For this reason, I have vetoed Section 205(1)(q).

Section 207(4), page 72, Department of Social and Health Services, Refugee and Immigrant Assistance Reorganization Report

This proviso requires the Department of Social and Health Services to provide detailed reports on outcomes of reorganizing the Office of Refugee and Immigrant Assistance. No funding was provided for these reports. For this reason, I have vetoed Section 207(4). The Department will keep the Legislature fully apprised of the progress of the reorganization.

Section 209(10), page 77, Department of Social and Health Services, Funds for Podiatry Services

This proviso declares that sufficient funds exist within Medical Assistance appropriations for the delivery of podiatry services as a part of the state's medical program. While there currently are sufficient funds, we need to allow the Department of Social and Health Services the widest range of fiscal flexibility to administer its programs should revenues continue to decline. For this reason, I have vetoed Section 209(10).

Section 209(11), page 77, Department of Social and Health Services, Funds for Adult Dental Services

This proviso declares that sufficient funds exist within Medical Assistance appropriations for the delivery of adult dental services as a part of the state's medical program. While there currently are sufficient funds, we need to allow the Department of Social and Health Services the widest range of fiscal flexibility to administer its programs should revenues continue to decline. For this reason, I have vetoed Section 209(11).

Section 209(14), page 77, Department of Social and Health Services, Funds for Family Planning Nurses

This proviso declares that sufficient funds exist within Medical Assistance appropriations for the staffing of family planning nurses in the state's community service offices as a part of the state's medical program. While there currently are sufficient funds, we need to allow the Department of Social and Health Services the widest range of fiscal flexibility to administer its programs should revenues continue to decline. For this reason, I have vetoed Section 209(14).

Section 209(15), page 77, Department of Social and Health Services, Analysis of Home Dialysis

The Department of Social and Health Services is directed to conduct an analysis of potential savings that may be generated by using home-based kidney dialysis. The state already provides this service when appropriate. Additionally, no funding was provided for this analysis. For these reasons, I have vetoed Section 209(15).

Section 209(33), page 81, Department of Social and Health Services, Graduate Medical Education payments

This proviso requires the Department of Social and Health Services to direct payments for the federal Graduate Medical Education Program (GME) to graduate programs that focus on primary care training. While I commend the effort to increase the level of primary care training, the method proposed by the proviso is not feasible. The University of Washington Medical Center and Harborview Medical Center are the only two participating GME programs. GME program payments are included as a part of their reimbursement for inpatient hospital services provided to state clients. There is no way for the Department to direct the payments exclusively to primary care training. For this reason, I have vetoed Section 209(33).

Section 222(3), page 94, Department of Health, Pesticide Incident Report and Review Panel

The Department of Health is required to continue the operations of the Pesticide Incident Report and Review Panel. The budget

includes a 50 percent reduction in funding for this activity and for human pesticide exposure and poisoning programs. It is inappropriate to prioritize the activity of the panel over other activities and programs administered by the Department. For this reason, I have vetoed Section 222(3).

Section 222(20), page 96, Department of Health, Health Care Workforce Survey

This proviso declares that sufficient funds are provided for the continuation of the Health Care Workforce survey. Like all state agencies, the Department of Health is being asked to make significant service reductions. We need to allow the agency the widest range of fiscal flexibility to administer its programs should revenues continue to decline. For this reason, I have vetoed Section 222(20).

Section 223(2)(b), page 97, Department of Corrections, Pet Partnership Program at Women's Corrections Center

While this program has demonstrated benefits, the agency should have flexibility to prioritize its expenditures to accommodate the significant reductions reflected in this budget. For this reason, I have vetoed Section 223(2)(b).

Section 223(2)(f), page 98, Department of Corrections, Correction Savings Bills

This statement on bills that generated budget savings includes two bills that did not pass, Engrossed Senate Bill 6183 (Illegal Immigrant Offenders) and Substitute Senate Bill 6160 (Criminal Justice Sentencing). Therefore, I have vetoed Section 223(2)(f).

Section 302, page 104, lines 18-19, Department of Ecology, Emissions Reduction Assistance Account Appropriation

This section includes an appropriation from the Emissions Reduction Assistance Account, a new account created in Engrossed Second Substitute Senate Bill 5735 (Reducing Greenhouse Gas Emissions), a bill that did not pass. For this reason, I have vetoed this appropriation.

Section 303(4), page 110, State Parks and Recreation Commission, Actively Pursue Transfers of State Parks

This proviso would require the State Parks and Recreation Commission to actively pursue transferring ownership of state parks to local governments, tribes, or other entities. It also would require biennial updates of this effort to the Office of Financial Management and the appropriate fiscal committees of the Legislature. The Commission is already pursuing the transfer of certain state parks that are inconsistent with its long-range strategic Centennial plan. For this reason, I have vetoed section 303(4). However, I encourage the Commission to pursue the transfer of parks to other operators when it is appropriate and mutually beneficial and to provide updates to OFM and the appropriate fiscal committees of the Legislature no later than September 1, 2009.

Section 309(4), page 118, Department of Agriculture, Milk Price Stabilization Work Group and Report

This proviso requires the Department of Agriculture, within existing funds, to convene a meeting of dairy industry members to consider methods to stabilize milk prices, and to report findings to the Legislature. No funding was provided for these activities. For this reason, I have vetoed Section 309(4). I encourage the Department to work with the dairy industry to develop strategies to pursue with our congressional delegation.

Section 401, page 120, lines 7, 17 and 18, Cemetery Account and Funeral Directors and Embalmers Account

Funds from the Cemetery Account and the Funeral Directors and Embalmers Account are appropriated to the Department of Licensing. These accounts were repealed on April 15, 2009, when I signed Engrossed Substitute House Bill 2126, the Cemetery and Funeral Directors Boards bill. For this reason, I have vetoed Section 401, lines 7, 17, and 18.

Section 402(3), page 122, Washington State Patrol, King Air Cost Recovery

The State Patrol will continue to charge other agencies for the use of its planes, but State Patrol security responsibilities have historically been funded in the agency's aviation budget. For this reason, I have vetoed Section 402(3).

Section 614(1), pages 186-187, Workforce Training and Education Coordinating Board

This proviso attempts to direct the Governor's discretionary Workforce Investment Act (WIA) funds to the Workforce Training and Education Coordinating Board to begin work on the Opportunity Internship Program. While I am committed to the success of this new effort, the Board does not control the federal WIA funds, and it is inappropriate to direct the Governor's flexible pool in this manner. I will work with the Board to find a solution that will enable this important work to begin, but have vetoed Section 614(1).

Section 805, page 205, lines 29-31, Transfers from the State Convention and Trade Center Account to the State General Fund

This appropriation implements the transfer from the State Convention and Trade Center Account to the State General Fund authorized in Section 948. Since I have vetoed that authorization, I have also vetoed Section 805, lines 29-31.

Section 805, page 206, lines 33-35, Transfer from the Performance Audits of Government Account to the State General Fund

Although the Performance Audits of Government Account has accumulated a surplus fund balance during initiation of the State Auditor's program, a transfer of $29.24 million would significantly detract from the state's ability to conduct performance audits in the future. However, because all of state government must make reductions in these tough economic times, the Auditor has committed to a $15 million transfer that can be accomplished in the next legislative session. For these reasons, I have vetoed Section 805, lines 33-35.

Section 936, pages 231-232, Savings Incentive Program Report

This section amends RCW 43.79.460 and Section 902, Chapter 4, Laws of 2009, delaying the requirement for the annual Savings Incentive Report until December 2010. Engrossed Substitute House Bill 2327 amends the same statute, but eliminates the report permanently, causing conflicting language. To eliminate conflicting amendments, I have vetoed Section 936.

Section 948, pages 246-248, State Convention and Trade Center Account

Section 948 amends RCW 67.40.040 and Section 917, Chapter 329, Laws of 2008 and Section 6011, Chapter 328, Laws of 2008, defining eligible uses of funds in the State Convention and Trade Center Account, and suspends for the 2009-11 Biennium the retention requirement and transfers to tourism accounts. With the 2010 Olympics being held in Vancouver, British Columbia, we have a unique opportunity to attract tourists to the state of Washington in the next fiscal year. Tourism spending in Washington directly supports nearly 150,000 jobs for our residents -- jobs that are vital to our economic recovery. In addition, while I believe the Fiscal Year 2009 transfer can be accomplished, it may be called into question because of the language in this proviso. This would adversely affect the 2009 supplemental budget. A clean transfer of funds can be accomplished in the 2010 supplemental budget. For these reasons, I have vetoed Section 948.

Section 955, pages 258-259, Department of Fish and Wildlife, Eastern Washington Pheasant Enhancement Account

This section requires that no less than 80 percent of the funds from the Eastern Washington Pheasant Enhancement Account are to be used to purchase or produce pheasants. Substitute House Bill 1778 which I signed on May 5, 2009, removes the 80 percent requirement, which allows the Department more flexibility for habitat development and other long-term actions to improve pheasant production. For this reason, I have vetoed Section 955.

Section 1104(1),page 302, lines 14-15, Department of Social and Health Services, Mental Health Services

Section 1104(2), page 306, lines 22-23, Department of Social and Health Services, Mental Health Services

Section 1105(1), page 310, lines 3-4, Department of Social and Health Services, Developmental Disabilities Community Services

These reductions to Fiscal Year 2009 appropriation are vetoed in order to retain a total of $32.276 million to ensure that the Department of Social and Health Services has sufficient resources to cover caseload and related costs in Medical Assistance. For this

reason, I have vetoed Section 1104(1), lines 14-15; Section 1104(2), lines 22-23; and Section 1105(1), lines 3 and 4.

A number of appropriations in Engrossed Substitute House Bill 1244 are contingent upon separate legislation, with legislative direction that the appropriations will lapse if the bills are not enacted. The following vetoes relate to bills that did not pass:

Section 103(6), page 4, Joint Legislative Audit and Review Committee, Engrossed Substitute House Bill 2338, (Growth Management Hearings Board)

Section 128(11), pages 23-24, Department of Community, Trade and Economic Development, Engrossed Substitute Senate Bill 5840, (Energy Independence)

Section 128(24), page 26, Department of Community, Trade and Economic Development, Second Substitute House Bill 1797, (Rural and Resource Lands Study)

Section 137(4), page 33, Department of Revenue, Substitute House Bill 1597, (Tax Administration)

Section 152, page 39, lines 20-26, Public Employment Relations Commission, Substitute House Bill 1329, (Child Care Center Collective Bargaining)

Section 153, page 39, lines 34-36, page 40, lines 1-4, Department of Archaeology and Historic Preservation, Second Substitute House Bill 1090, (Human Remains)

Section 218(12), page 90, Department of Labor and Industries, Engrossed Second Substitute Senate Bill 5895, (Residential Real Property)

Section 218(13), page 90, Department of Labor and Industries, Engrossed Substitute Senate Bill 6035, (Retrospective Rating Plans)

Section 218(14), page 90, Department of Labor and Industries, Engrossed Second Substitute House Bill 1393, (Residential Construction)

Section 302(11), page 106, Department of Ecology, Engrossed Second Substitute Senate Bill 5735, (Reducing Greenhouse Gas Emissions)

Section 302(18), page 107, Department of Ecology, Substitute Senate Bill 5282, (Bisphenol A Use)

Section 303(2), page 109, State Parks and Recreation Commission, Substitute House Bill 2109, (State Parks and Recreation Funding)

Section 307(5), page 113, Department of Fish and Wildlife, Substitute House Bill 1972, (Outdoor Recreation Information)

Section 309(5), page 118, Department of Agriculture, Substitute Senate Bill 5005, (Naturally Raised Beef Cattle)

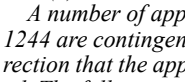
Section 401(3), page 120, Department of Licensing, Engrossed Substitute Senate Bill 5529, (Architects)

Section 616(8), page 189, Department of Early Learning, Substitute House Bill 1329, (Child Care Center Collective Bargaining).

For these reasons, I have vetoed Sections 103(6); 105(3); 105(5); 117(2); 117(4); 117(5); 124(3); 126(5); 128(7); 128(11); 128(15); 128(17); 128(24); 137(4); 148(5); 152, page 39, lines 20-26; 153, page 39, lines 34-36 and page 40, lines 1-4; 204(4)(a); 205(1)(h); 205(1)(q); 207(4); 209(10); 209(11); 209(14); 209(15); 209(33); 218(12); 218(13); 218(14); 222(3); 222(20); 223(2)(b); 223(2)(f); 302 page 104, lines 18 and 19; 302(11); 302(18); 303(2); 303(4); 307(5); 309(4); 309(5); 401, page 120, lines 7, 17 and 18; 401(3); 402(3); 614(1); 616(8); 805, page 205, lines 29-31; 805, page 206, lines 33-35; 936; 948; 955; 1104(1); 1104(2); and 1105(1) of Engrossed Substitute House Bill 1244.

With the exception of Sections 103(6); 105(3); 105(5); 117(2); 117(4); 117(5); 124(3); 126(5); 128(7); 128(11); 128(15); 128(17); 128(24); 137(4); 148(5); 152, page 39, lines 20-26; 153, page 39, lines 34-36 and page 40, lines 1-4; 204(4)(a); 205(1)(h); 205(1)(q); 207(4); 209(10); 209(11); 209(14); 209(15); 209(33); 218(12); 218(13); 218(14); 222(3); 222(20); 223(2)(b); 223(2)(f); 302 page 104, lines 18 and 19; 302(11); 302(18); 303(2); 303(4); 307(5); 309(4); 309(5); 401, page 120, lines 7, 17 and 18; 401(3); 402(3); 614(1); 616(8); 805, page 205, lines 29-31; 805, page 206, lines 33-35; 936; 948; 955; 1104(1); 1104(2); and 1105(1), Engrossed Substitute House Bill 1244 is approved.

Respectfully submitted,



Christine O. Gregoire
Governor

SHB 1254

C 33 L 09

Creating the Washington grain commission.

By House Committee on Agriculture & Natural Resources (originally sponsored by Representatives Schmick, Blake, Ormsby, Walsh, Sullivan, Parker and Kretz).

House Committee on Agriculture & Natural Resources
Senate Committee on Agriculture & Rural Economic Development

Background: There are 25 agricultural commodity commissions in Washington. These commissions are formed primarily to engage in research and marketing for their specific commodity. The activities of commodity commissions are funded primarily by assessments on the producers of the commodities.

Of the 25 commodity commissions, seven were formed directly by an act of the Legislature. These include the Apple Commission, the Honey Bee Commission, and the Wine Commission. These commissions have their own individual procedures and protocols.

The remaining 18 commodity commissions were created by order of the Director of the Washington State Department of Agriculture (WSDA). Commissions created by the WSDA follow the same general procedures. Examples of these commissions include the Asparagus Commission, the Seed Potato Commission, the Red Raspberry Commission, the Barley Commission, and the Wheat Commission.

Summary: The Wheat Commission and the Barley Commission are dissolved and replaced by the Washington Grain Commission (Commission), an agency of state government overseen by the Director of the WSDA. All authorities, powers, and duties vested in the predecessor commissions, along with all obligations, property, and employees, are transferred to the new Commission.

The Commission is composed of five wheat producer members, two barley producer members, two members representing the wheat industry, one member representing the barley industry, and an appointee of the WSDA. The Commission's set jurisdiction is composed of the following counties: Adams, Asotin, Benton, Chelan, Columbia, Douglas, Ferry, Franklin, Garfield, Kittitas, Klickitat, Lincoln, Okanogan, Pend Oreille, Spokane, Stevens, Walla Walla, Whitman, and Yakima.

Commission members are appointed by the director of the WSDA. Industry members are appointed by the

Director of the WSDA, but must be based on a recommendation forwarded by the other members of the Commission. The producer members are also appointed by the Director of the WSDA; however, the process involves formal nominating petitions and advisory ballots voted upon by wheat and barley producers.

The wheat and barley producer Commission members must be state residents over the age of 18; however, industry representatives may be residents of a different state as long as the person is involved with the handling, marketing, transportation, processing, or researching of wheat or barley in Washington. The jurisdiction of the Commission is broken into five districts for wheat and seven districts for barley. Each district must be represented on the Commission by a producer from that district. All Commission members are specifically authorized to also be members of other associations with similar objectives to the Commission.

Other than the appointee of the WSDA, Commission members serve three-year terms. The initial members of the Commission are the existing members of the Wheat Commission and three members of the Barley Commission. The initial Commission members serve staggered terms until the permanent term schedule is established.

Commission members may be removed by the Director of the WSDA if the majority of the Commission votes to recommend the member's removal. Commission members may only be removed for cause. Reasons for removal include excessive absence, abandonment of the position, acts of dishonesty, and willful misconduct.

Commission meetings must be held at least quarterly, including one annual meeting. Meetings must be pre-determined prior to the start of the calendar year, and the proposed Commission budget must be presented at the annual meeting. Commission members do not receive compensation for service but are eligible for travel reimbursement.

The Commission is expressly granted a range of authorities relating to the promotion, marketing, and research of grains, and is provided with the authority to adopt rules and enter into contracts to further its mission. The Commission is also allowed to accept donations of liquor made from Washington-grown wheat or barley, and to disseminate the liquor without charge for agricultural trade promotion or development.

The Commission has the authority to assess a levy on the commercial production of wheat and barley. The initial assessment rates are those originally established by the Commission's two predecessor commissions. For wheat, the initial assessment is 0.75 percent of the net receipts at the first point of sale. For barley, the initial assessment is 1 percent of the net receipts at the first point of sale. Assessment rates may be proposed by the Commission, and with the assent of the Director of the WSDA, changes in assessment rates may be put to referendum for the producers to vote upon. A change in an assessment rate is considered approved if more than 50 percent of producers, by number of individuals and by volume of grain, vote for the referendum. Assessments may be temporally reduced with just a vote of the Commission.

The WSDA oversees the Commission; however, the Commission is responsible for reimbursing the WSDA for the costs of that oversight and assistance. Costs that may be incurred by the WSDA are rulemaking costs, the facilitation of appointment nominations and advisory votes, and staff time dedicated to the Commission.

It is a misdemeanor for any person to violate any rule adopted by the Commission. It is also a misdemeanor to submit fraudulent information requested or required by the Commission, or to fail to submit any requested report or filing. The superior court has the authority to enforce the actions of the Commission.

Votes on Final Passage:

House	97	0
Senate	45	0

Effective: July 26, 2009

HB 1257

C 135 L 09

Eliminating the requirement that courts segregate deferred prosecution files.

By Representatives Goodman, Rodne, O'Brien, Simpson and Moeller.

House Committee on Judiciary
Senate Committee on Judiciary

Background: A person charged with a misdemeanor or gross misdemeanor in district or municipal court may petition the court for a deferred prosecution. A deferred prosecution program requires the person to undergo treatment in a two-year program. If the person successfully completes the program, the court will dismiss the charges three years after the successful completion of the treatment program. If a person fails to successfully complete the treatment program, the court will determine whether to remove the person from the deferred prosecution and enter judgment on the charge.

The person petitioning for a deferred prosecution must allege in the petition that alcoholism, drug addiction, or mental problems caused the person to commit the offense and that treatment is necessary to prevent a reoccurrence. In addition to other conditions to which the person must agree for a deferred prosecution, the person must be evaluated by a state-approved treatment facility. The treatment facility will submit a treatment plan to the court. If the court approves the plan and grants deferred prosecution, the court must attach the treatment plan to the person's file, remove it from the regular court dockets, and file it in a special deferred prosecution file.

Summary: The requirement that deferred prosecution files be filed in a special court file different than the regular court docket is removed.

Votes on Final Passage:

House	94	0
Senate	47	0

Effective: July 26, 2009

SHB 1261
C 81 L 09

Enacting the adult guardianship and protective proceedings jurisdiction act.

By House Committee on Judiciary (originally sponsored by Representatives Goodman, Moeller, Green, Williams, Pedersen, Appleton, Morrell and Ormsby; by request of Uniform Legislation Commission).

House Committee on Judiciary
Senate Committee on Judiciary

Background: Guardianship Proceedings. Guardianship is a legal process through which a guardian is given the power to make decisions for a person who is determined to be incapacitated and therefore unable to take care of himself or herself. A person may be incapacitated if the individual is at a significant risk of financial harm because of an inability to manage his or her property or finances or has a significant risk of personal harm because of an inability to provide for nutrition, health, housing, or physical safety.

The court may establish a guardianship over the person, the person's estate, or both. The court may also establish a limited guardianship for persons who need protection or assistance because of an incapacity, but who are capable of managing some of their affairs. A guardian of an incapacitated person's estate is responsible for managing the person's property and finances. A guardian of the person is responsible for assessing and meeting the person's physical, mental, and emotional needs.

Adult Guardianship and Protective Proceedings Jurisdiction Act. The National Conference of Commissioners on Uniform State Laws (NCCUSL) is an organization that authors and promotes enactment of uniform state laws in areas of law where national uniformity is desirable and practical. In 2006 the NCCUSL adopted the Uniform Adult Guardianship and Protective Proceedings Jurisdiction Act to establish procedures for addressing interstate jurisdictional, transfer, and enforcement issues relating to adult guardianship and protective proceedings.

Summary: The Uniform Adult Guardianship and Protective Proceedings Jurisdiction Act (Act) is adopted. The Act establishes standards for determining the state court with primary jurisdiction over guardianship and protective proceedings, procedures for communication and cooperation between state courts, methods for transferring jurisdiction to another state, and recognition and enforcement of out-of-state orders. A "guardianship proceeding" is a proceeding for the appointment of a guardian to make decisions regarding the person of an adult (respondent). A "protective proceeding" is a proceeding to appoint a guardian of the estate, or a conservator, to administer the property of a person.

Communication and Cooperation Between Courts. Procedures for allowing communication and cooperation between state courts are provided. A Washington court may communicate with a court of another state concerning a guardianship or protective proceeding. A Washington court involved in a guardianship or protective proceeding may request the court of another state to take certain action, such as holding an evidentiary hearing, ordering a person in the other state to produce evidence or give testimony, or ordering that an evaluation or assessment be made of the respondent. A Washington court has jurisdiction to grant a request for assistance from a court of another state involved in a guardianship or protective proceeding.

When a witness is located in another state, the court may order the testimony of the witness to be taken in another state, and the witness's testimony may be offered by deposition. The court may permit a witness located in another state to be deposed or testify by telephone or audiovisual or other electronic means.

Jurisdiction. Procedures are established for resolving interstate jurisdictional issues in guardianship and protective proceedings. Primary jurisdiction over these proceedings rests in the "home state," followed by a state in which the respondent has a "significant connection."

A "home state" generally means the state in which the respondent was physically present for at least six consecutive months immediately before the filing of the petition. A "significant-connection state" is a state with which the respondent has a significant connection other than mere physical presence and in which substantial evidence concerning the respondent is available. Factors for determining a significant connection are provided and include: the length of time the respondent has been present in the state; the location of family and property; and other ties to the state, such as voting registration or vehicle registration.

A significant-connection state may exercise jurisdiction if: (1) there is no home state; (2) the home state has declined to exercise jurisdiction; or (3) no action has been filed in the home state or another significant-connection state, no objection to the court's jurisdiction has been filed, and the court is a more appropriate forum than a court in another state.

A state that is not a home state or a significant-connection state may exercise jurisdiction if the home state and significant-connection states have declined to exercise jurisdiction because the state is a more appropriate forum.

Regardless of these jurisdictional requirements, a court may have special jurisdiction to: (1) in an emergency, process a petition for the appointment of a guardian for a person who is physically present in the state for a term of up to 90 days; and (2) issue a protective order with respect to property that is located in the state if a petition for appointment of a guardian or conservator is pending or has been approved in another state.

Additional procedures are established for resolving jurisdictional issues if proceedings are pending in more than one state and for declining jurisdiction if the court determines there is a more appropriate forum or if jurisdiction was acquired through unjustifiable conduct.

Transfer of Guardianship Cases. A process is created for transferring a guardianship of the person or guardianship of the estate to another state. A Washington court may transfer a guardianship to another state if the court is satisfied the guardianship will be accepted by the other state, the incapacitated or protected person is expected to move to the other state, and adequate arrangements for the person's care or management of the person's property have been made in the other state.

A Washington court may accept a transfer of a guardianship or a conservatorship from another state unless the transfer of the case would be contrary to the interests of the incapacitated or protected person, or the guardian or conservator is ineligible for appointment in Washington. When a guardianship or conservatorship is transferred, the court accepting the transfer must recognize the order from the other state, including the determination of incapacity and the appointment of the guardian or conservator.

Registration and Enforcement of Out-of-State Orders. A guardian or conservator appointed in another state may register the guardianship or protective order in an appropriate Washington court by filing the order as a foreign judgment. Once registered, the guardian or conservator may exercise in Washington all powers authorized in the order of appointment, unless prohibited by Washington law, including maintaining actions or proceedings in Washington courts. A Washington court may grant any relief available under Washington law to enforce a registered order.

Votes on Final Passage:

House	94	0
Senate	46	0

Effective: January 1, 2010

HB 1264

C 202 L 09

Regarding the creation and registration of entities formed by public agencies.

By Representatives Springer, Rodne and Eddy.

House Committee on Judiciary
Senate Committee on Judiciary

Background: Interlocal Cooperation Act. The Interlocal Cooperation Act allows public agencies to enter into agreements with one another for joint or cooperative action. Any power or authority held by a public agency may be exercised jointly with one or more other public agencies having the same power or authority. A "public agency" includes any agency, political subdivision, or unit of local government. The term specifically includes municipal corporations, special purpose districts, local service districts, state agencies, federal agencies, recognized Indian tribes, and other states' political subdivisions.

Public agencies that enter into joint agreements may create a separate legal entity, such as a nonprofit corporation or a partnership, to carry out the purposes of agreement. A 2008 act relating to the procurement of renewable resources amended the Interlocal Cooperation Act to allow public agencies to form limited liability companies to carry out their joint agreements.

Business Entity Registration. Statutes governing the formation and operation of business entities, including nonprofit corporations, partnerships, and limited liability companies, require those entities to designate and maintain a registered agent. The registered agent is an agent of the entity for the purposes of receiving service of process or other notices on behalf of the entity.

A registered agent may be an individual resident of Washington, a domestic corporation or nonprofit corporation, or a foreign corporation or nonprofit corporation authorized to do business in Washington. The statutes governing general partnerships and limited liability companies also allow limited liability companies to serve as a registered agent.

Summary: Various business entity statutes are amended to allow governmental entities to serve as a registered agent of the business entity.

The Nonprofit Corporation Act and the Nonprofit Miscellaneous and Mutual Corporation Act are amended to allow a governmental body or agency to serve as a registered agent.

The General Partnership Act and the Limited Partnership Act are amended to allow a government or a governmental subdivision, agency, or instrumentality to serve as a registered agent.

The Limited Liability Company Act is amended to allow the registered agent of a limited liability company to be a government, a governmental subdivision, agency, or

instrumentality, or a separate legal entity comprised of two or more of these entities.

The provision of the Interlocal Cooperation Act that allows public agencies to enter into joint agreements and create a separate legal entity to carry out the purposes of the agreement is reenacted without amendment.

Votes on Final Passage:

House 96 1
Senate 44 0

Effective: July 26, 2009

HB 1270
C 201 L 09

Permitting electronic signatures on applications for public assistance and for benefits administered by the health care authority.

By Representatives Green, Cody, Dickerson, Ericksen, Upthegrove, Springer, Roberts and Nelson; by request of Department of Social and Health Services and Health Care Authority.

House Committee on Early Learning & Children's Services
Senate Committee on Health & Long-Term Care

Background: The Department of Social and Health Services (DSHS) administers a variety of public assistance programs, including Temporary Assistance for Needy Families (TANF), Medicaid, Medicare, and General Assistance for the Unemployable (GAU). The Washington State Health Care Authority (HCA) administers seven health benefit programs, including health care plans for low-income persons, tribal members, and state employees.

The DSHS accepts electronic signatures for the processing of applications in some programs, such as TANF and GAU. The DSHS does not, however, allow electronic signatures for applications under the Medicare or Medicaid programs because federal guidance for administering these programs indicates that states should first have in place a state law expressly allowing for electronic signatures before accepting such signatures for Medicaid and Medicare applications. The HCA allows documentation for eligibility to be submitted via electronic means, to be printed, sent to the applicant, and returned to the agency via the mail. Electronic signatures do not change program eligibility standards and do not alter other information verification processes relating to an applicant's income or residency status. Like physical signatures, electronic signatures are made under penalty of perjury.

Summary: The DSHS and the HCA are authorized to accept electronic signatures for all programs the agencies administer. Applications must have either a physical signature or an electronic signature. An electronic signature is defined as a signature in electronic form attached to or logically associated with an electronic record to allow a paperless method for signing a document. This may include a sound, symbol, or process attached to or logically associated with the electronic record and executed or adopted by a person with the intent to sign the record.

Votes on Final Passage:

House 97 0
Senate 45 0

Effective: July 26, 2009

SHB 1271
C 136 L 09

Regarding the preparing and administration of drugs by registered or licensed veterinary personnel.

By House Committee on Agriculture & Natural Resources (originally sponsored by Representatives Haigh, Finn, Crouse, Green, Liias, Springer, O'Brien, Goodman, Morris, Ormsby, Blake, Van De Wege, Moeller, Cody, Conway, Hurst, Walsh, McCune, Hinkle, Nelson and Kenney).

House Committee on Agriculture & Natural Resources
Senate Committee on Agriculture & Rural Economic Development

Background: Veterinary Personnel. A veterinary technician is a person who is licensed by the Washington Veterinary Board of Governors (Board) after meeting certain statutory requirements. These requirements include passing an examination administered by the Board and completing a post-high school course approved by the Board, or having five years of practical experience, acceptable to the Board, with a licensed veterinarian.

A veterinary medication clerk is a person who has satisfactorily completed a Board-approved training program designed to teach certain nondiscretionary functions used in dispensing legend and nonlegend drugs, except controlled substances.

A veterinarian legally prescribing drugs may delegate certain nondiscretionary functions used in dispensing legend and nonlegend drugs, except controlled substances, to a licensed veterinary technician or a veterinary medication clerk while under the veterinarian's direct supervision. Direct supervision means the veterinarian is on the premises and is quickly and easily available, while indirect supervision means the veterinarian is not on the premises but has given written or oral instructions for the delegated task.

Legend Drugs and Controlled Substances. Legend drugs are any drugs that are required by state law or by regulation of the Washington State Board of Pharmacy to be dispensed by prescription only or are restricted to use by practitioners only. Controlled substances are drugs, substances, or immediate precursors included in Schedules I through V in federal or state laws.

Summary: Controlled substances are added to an existing list of drugs that a veterinarian legally prescribing

drugs may permit a licensed veterinary technician to dispense under the veterinarian's indirect supervision.

A licensed veterinary technician is allowed to administer legend drugs and controlled substances under the indirect supervision of a veterinarian.

Votes on Final Passage:

House	95	0
Senate	46	0

Effective: July 26, 2009

ESHB 1272

C 498 L 09

Concerning state general obligation bonds and related accounts.

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

House Committee on Capital Budget

Background: Washington periodically issues general obligation bonds to finance projects authorized in the state capital and transportation budgets. General obligation bonds pledge the full faith and credit and taxing power of the state towards payment of debt service. Legislation authorizing the issuance of bonds requires a 60 percent majority vote in both the House of Representatives and the Senate.

Bond authorization legislation generally specifies the account or accounts into which bond sale proceeds are deposited, as well as the source of debt service payments. When debt service payments are due, the State Treasurer withdraws the amounts necessary to make the payments from the State General Fund and deposits them into the bond retirement funds.

The State Finance Committee, composed of the Governor, the Lieutenant Governor, and the State Treasurer, is responsible for the issuance of all state bonds.

Summary: The State Finance Committee is authorized to issue state general obligation bonds to finance $2.2 billion in projects in the 2009 Supplemental and 2009-11 Capital Budgets, and $1.95 billion for the State Route 520 corridor projects.

The State Treasurer is required to withdraw from state general revenues the amounts necessary to make the principal and interest payments on the bonds and to deposit these amounts into the Bond Retirement Account.

Votes on Final Passage:

House	60	36
Senate	30	15

Effective: July 26, 2009

HB 1273

C 137 L 09

Allowing counties, cities, and towns to conduct raffles under certain terms and conditions.

By Representatives Condotta and Armstrong.

House Committee on Commerce & Labor
Senate Committee on Labor, Commerce & Consumer Protection

Background: Washington's Gambling Act authorizes charitable and nonprofit organizations to conduct raffles to raise funds for the organizations' stated purposes. The organization must be organized for one of the purposes specified in statute which include agricultural, charitable, educational, political, fraternal, and athletic purposes, and meet other requirements.

A raffle may be conducted as a licensed or unlicensed raffle. A license is required: (1) if the gross revenue from all gambling fundraising conducted by the organization is more than $5,000 per year; (2) if tickets are sold by someone other than a member of the organization; (3) if tickets are sold at a discount; and (4) in certain other cases. Specified restrictions and requirements apply to the conduct of all raffles.

Credit unions and a group of executive branch state employees are considered nonprofit organizations and may conduct unlicensed raffles under certain conditions.

Summary: A county, city, or town is considered a nonprofit organization for purposes of organizations authorized to conduct raffles and may conduct licensed or unlicensed raffles so long as the revenue, less prizes and expenses, is used for community activities or tourism promotion activities.

Votes on Final Passage:

House	97	0
Senate	40	8

Effective: July 26, 2009

SHB 1280

C 39 L 09

Regarding explosives licenses.

By House Committee on Commerce & Labor (originally sponsored by Representatives Condotta, Chandler, Crouse, Kretz, Kristiansen and Armstrong).

House Committee on Commerce & Labor
Senate Committee on Labor, Commerce & Consumer Protection

Background: Under the Washington State Explosives Act, a license issued by the Department of Labor and Industries (Department) is required to manufacture, purchase, sell, use, or store explosives. Licensees must be at least 21 years of age, not have been convicted of a violent

offense, and meet other qualifications. By rule, applicants for user licenses must meet specified experience, exam, and training qualifications, depending on the type of blasting the applicant will perform. Experience, training, and exam requirements are also set forth for renewal of user licenses. Applicants for all new and renewal licenses must undergo a fingerprint-based criminal history background check.

A license expires one year from the date issued, except that the Director of the Department (Director) may extend storage licenses for permanent facilities to two years under certain conditions. License fees for each type of license are set in statute and the Director may adjust the fees to reflect the administrative costs of the Department up to a specified maximum for each type of license. Applicants must also pay the current federal and state fee for the background check.

Certain explosives licensees must also obtain a federal permit from the Bureau of Alcohol, Tobacco, Firearms, and Explosives.

Summary: The background check for a renewal of an explosives license is changed from an annual to an every third year requirement.

Votes on Final Passage:

House	97	0
Senate	46	0

Effective: July 26, 2009

HB 1281

C 138 L 09

Addressing the rights of victims, survivors, and witnesses of crimes.

By Representatives Hurst, Pearson, Appleton, O'Brien, Goodman, Orcutt, Morrell, Ormsby, Simpson and Orwall.

House Committee on Human Services
Senate Committee on Human Services & Corrections

Background: Indeterminate Sentencing Review Board. Washington's Indeterminate Sentencing Review Board (ISRB) is made up of five members and oversees two different groups of offenders. The first group is made up of offenders who committed their offenses before July 1, 1984. These offenders have indeterminate sentences. This means that the court, at the time of sentencing, set a maximum sentence for the offender. The minimum sentence was set by the ISRB. If the ISRB determines that a person may be released before their maximum sentence, the person is released on parole. The Department of Corrections (DOC) supervises ISRB cases in the community. The community corrections officers report to the ISRB when an offender violates the rules of parole.

The second group that the board oversees is made up of sex offenders. The sex offenders supervised within this group committed their offenses after August 31, 2001, and they have "indeterminate-plus" sentences rather than the determinate sentences imposed under the Sentencing Reform Act. This means that the sentencing judge sets a minimum prison term in accordance with the Sentencing Reform Act sentencing guidelines. The maximum term is the statutory maximum term for the specific crime. After the minimum sentence is served, the ISRB determines whether the offender may actually leave prison. If the ISRB decides against release, time is added to the sentence, and a new minimum is set. If the person is released, he or she is placed on community custody. The ISRB holds hearings to determine if an offender has violated the terms of community custody. These offenders are also supervised in the community by the DOC.

Clemency and Pardons Board. The Clemency and Pardons Board receives petitions from individuals, organizations, and the DOC for review and commutation of sentences and pardoning of offenders, and in some instances for the restoration of civil rights. The Clemency and Pardons Board makes recommendations to the Governor.

Rights of Victims, Survivors and Witnesses. The rights of victims, survivors, and witnesses are set forth in statute, but they only apply to criminal court and juvenile court proceedings. For example, some of the rights that victims and witnesses have are the right to receive, at the time of reporting a crime to law enforcement officials, a written statement of the rights of crime victims. They have the right to be informed by law enforcement agencies or the prosecuting attorney of the final disposition of the case in which the victim, survivor, or witness is involved. They have the right to receive protection from harm and threats of harm arising out of the cooperation with law enforcement and prosecutor efforts. They have a right to submit a victim impact statement or a report to the court which must be included in all presentence reports and permanently included in the files and records accompanying the offender. They have the right to present a statement personally or by representation at the sentencing hearing for felony convictions.

Summary: Victims, survivors of victims, and witnesses have a right to make a statement that will be considered by the ISRB (or its successor) prior to any grant of release to an offender from post sentence confinement. The statements may be made in person, by representation, via audio, videotape, or other electronic means, or in writing. Victims and survivors of victims have the right to present a statement to the Clemency and Pardons Board. They may use the same means of presentation as allowed before the ISRB.

Votes on Final Passage:

House	94	0
Senate	45	0

Effective: July 26, 2009
August 1, 2009 (Section 3)

SHB 1283
C 221 L 09

Modifying provisions regarding the operators of public water supply systems.

By House Committee on Environmental Health (originally sponsored by Representatives Rolfes, Campbell, Kretz, Upthegrove and Ormsby; by request of Department of Health).

House Committee on Environmental Health
Senate Committee on Environment, Water & Energy

Background: Operators of a public water system must be certified if the system serves 15 or more connections or serves an average of 25 or more people during a 60-day period in a year. A public water system is a system providing piped water for human consumption including collection, treatment, storage, or distribution facilities. A certified operator is the person in charge of the technical operation of the system or a major part of the system.

Any examination required for certification must be offered in each region in which the Department of Health (DOH) has a regional office. A certificate may be revoked, after a hearing, if the certificate was obtained by fraud, if the operator commits gross negligence in the operation of a purification plant or distribution system, or if the operator violates laws on water system operation or rules or orders of the DOH.

A cross-connection is a physical link between a drinking water system and a potential source of contamination. Backflow conditions can occur when pressure in the system is such that water from a potential source of contamination is introduced into the public water system. Cross-connection control programs are required for public drinking water systems to prevent this from occurring. Backflow preventers are used to help isolate potential sources of contamination. Under the Uniform Plumbing Code, homeowners must install backflow preventers to protect the homeowner's plumbing system from contamination.

The definition of a Group A water system in state law is not consistent with the definition in the federal Safe Drinking Water Act. The state definition excludes a system that serves fewer than 15 residences regardless of the number of people served. The federal definition includes a system that serves an average of 25 or more people per day regardless of the number of service connections. A system could have fewer than 15 connections but serve more than 25 people.

Summary: The operators of a public water system must be certified by the DOH. Operators include backflow assembly testers and cross-connection control specialists.

Any examination required for certification must be offered in both eastern and western Washington, rather than in each region in which the DOH has a regional office. In addition to the current grounds for revoking or suspending a certification, the Secretary of the DOH may revoke or suspend an operator's certificate for committing fraud or gross negligence in operating a public water system or for fraud or gross negligence in inspecting, testing, maintaining, or repairing backflow assemblies, devices, or air gaps intended to protect a public water system from contamination.

Reference to the exclusion of a water system serving fewer than 15 residences is removed from the definition of a Group A water system, making the state definition consistent with federal law.

Votes on Final Passage:

House	96	1
Senate	45	0

Effective: July 26, 2009

SHB 1286
C 222 L 09

Prohibiting false and defamatory statements about candidates for public office.

By House Committee on State Government & Tribal Affairs (originally sponsored by Representatives Miloscia, Appleton, Armstrong, Hunt, Newhouse, White, Smith, Rolfes, Roberts, Nelson, Hinkle and Ormsby; by request of Public Disclosure Commission).

House Committee on State Government & Tribal Affairs
Senate Committee on Government Operations & Elections

Background: Candidates for public office are subject to numerous laws regarding campaigning. For example, all written political advertising must include the sponsor's name and address, and radio and television advertising must include the sponsor's name. In addition, at least one photograph of the candidate used in political advertising must have been taken in the last five years, and it cannot be smaller than the largest photo of the same candidate in the same advertisement.

There are also certain prohibitions regarding political advertising and electioneering communications. For example, a candidate that falsely represents that the candidate is an incumbent for the office is in violation of the campaign laws. A prohibition against political advertising or electioneering communications that contain a false statement of material fact about a candidate for public office was invalidated by the Washington Supreme Court in 2007.

Summary: An intent section establishes that the Legislature is responding to *Rickert*. The Legislature finds that it is a violation of state law if a person sponsors a false statement about candidates in political advertising and electioneering communications when the statements are made with actual malice and are defamatory.

It is a violation of the campaign laws for a person to sponsor, with actual malice, a statement constituting libel

or defamation per se under certain circumstances: the false statement is about a candidate and is in political advertising or electioneering communications; a person falsely represents that a candidate is an incumbent for the office sought in political advertising or an electioneering communication; or a person directly or indirectly implies the support or endorsement of any person or organization in political advertising or an electioneering communication when in fact the candidate does not have such support or endorsement. A candidate is also prohibited from submitting a defamatory or libelous statement to the Secretary of State for inclusion in the voters' pamphlet about his or her opponent.

For the purposes of this act, "libel or defamation per se" is defined as statements that tend: to expose a living person to hatred, contempt, ridicule, or obloquy, or to deprive him or her of the benefit of public confidence or social intercourse; or to injure any person, corporation, or association in his, her, or its business or occupation. If a person makes a false statement, with actual malice, about himself or herself or falsely represents himself or herself as an incumbent, it is not libel or defamation and is not a violation of the campaign laws. It is also not a violation of the campaign laws for a person or organization to falsely represent that the person or organization supports or endorses a candidate as persons and organizations cannot defame themselves. If a violation is proven, damages are presumed and need not be proven.

Votes on Final Passage:

House	92	2
Senate	44	1

Effective: July 26, 2009

HB 1287

C 503 L 09

Concerning sales and use tax exemptions in respect to aircraft used in intrastate commuter operations.

By Representatives Morris, Bailey, Ericks, Hinkle, Sullivan and Priest.

House Committee on Finance
Senate Committee on Ways & Means

Background: Retail sales and use taxes are imposed by the state, most cities, and all counties. Retail sales taxes are imposed on retail sales of most articles of tangible personal property and some services. If retail sales taxes were not collected when the property or services were acquired by the user, then use taxes are applied to the value of most tangible personal property and some services when used in this state. Use tax rates are the same as retail sales tax rates. The state tax rate is 6.5 percent. Local tax rates vary from 0.5 percent to 3 percent, depending on the location. The average local tax rate is 2.3, for an average combined state and local tax rate of 8.8 percent.

Sales of airplanes to the federal government and airplanes used in interstate or foreign commerce are exempt from sales and use taxes. Sales of repair and related services for these aircraft are also exempt from sales and use taxes.

Federal law exempts airlines that do not utilize large aircraft in air transportation from a number of regulatory requirements. These airlines are referred to as commuter air carriers. Under federal law, a large aircraft is defined as an aircraft designed to have a maximum passenger capacity of more than 60 persons or a maximum payload capacity of more than 18,000 pounds.

Summary: The sale of a small airplane to a commuter air carrier is exempt from sales and use tax. The sale of repair and related services for these small aircrafts is also exempt from sales and use tax.

Votes on Final Passage:

House	92	4
Senate	47	2

Effective: July 26, 2009

HB 1288

C 191 L 09

Exempting the annual parental declaration of intent to home school from the public disclosure act.

By Representatives Upthegrove, McCune, Simpson, Herrera, Newhouse, Armstrong, Roach, Quall, Orwall, Pettigrew, Bailey, Shea, Smith, Orcutt, Sullivan, Eddy, Johnson, Nelson, Ormsby, Kretz and Kristiansen.

House Committee on State Government & Tribal Affairs
Senate Committee on Early Learning & K-12 Education

Background: The Public Records Act. The Public Records Act (PRA) requires that all state and local government agencies make all public records available for public inspection and copying unless the records fall within certain statutory exemptions. The provisions requiring public records disclosure must be interpreted liberally and the exemptions interpreted narrowly in order to effectuate a general policy favoring disclosure.

The PRA requires agencies to respond to public records requests within five business days. The agency must either provide the records, provide a reasonable estimate of the time the agency will take to respond to this request, or deny the request. Additional time may be required to respond to a request where the agency needs to notify third parties or agencies affected by the request or to determine whether any of the information requested is exempt and that a denial should be made as to all or part of the request. For practical purposes, the law treats a failure to properly respond as denial. A denial of a public records request must be accompanied by a written statement of the specific reasons for denial.

An agency or its representative, or a person who is named in the record or to whom the record specifically pertains, may file a motion or affidavit asking the superior court to enjoin disclosure of the public record. The court may issue an injunction if it finds that such examination would clearly not be in the public interest and would substantially and irreparably damage any person, or would substantially and irreparably damage vital government functions.

Home-based Instruction. A child may receive home-based instruction instead of attending a public school, an approved private school, or an education center. Home-based instruction consists of planned and supervised instructional and related activities, including curriculum and instruction in the basic skills of occupational education, science, mathematics, language, social studies, history, health, reading, writing, spelling, and the development of an appreciation of art and music provided for a number of hours per grade level established for approved private schools and if such activities are provided by a qualified parent.

Each parent whose child is receiving home-based instruction has the duty to: ensure that a standardized achievement test approved by the State Board of Education is administered annually to the child by a qualified individual or that an annual assessment of the student's academic progress is written by a certificated person who is currently working in the field of education; and file annually a signed declaration of intent that he or she is planning to cause his or her child to receive home-based education. The annual declaration of intent must include the name and age of the child, must specify whether a certificated person will be supervising the instruction and must be in the written format prescribed by the Office of the Superintendent of Public Instruction. The declaration of intent, which is printed on the local school district's form, stationery or letterhead, must be filed with the local school district superintendent by September 15 of the school year or within two weeks of the beginning of any public school quarter, trimester, or semester.

Summary: The annual declaration of intent to provide home-based instruction filed by a parent is not subject to public disclosure.

A statutory reference to the definition of public records is corrected.

Votes on Final Passage:

House	96	1
Senate	45	0

Effective: July 26, 2009

2SHB 1290

C 442 L 09

Concerning local tourism promotion areas.

By House Committee on Finance (originally sponsored by Representatives Maxwell, Rodne, Kenney, Green, Clibborn, Liias, Anderson and Hunter).

House Committee on Community & Economic Development & Trade
House Committee on Finance
Senate Committee on Economic Development, Trade & Innovation
Senate Committee on Ways & Means

Background: Establishment of local tourism promotion areas was first authorized in 2003 for counties with populations between 40,000 and one million. The process begins when an initiation petition is presented to the legislative authority having jurisdiction over the location of the proposed tourism promotion area. The initiation petition must describe the area's boundaries, the proposed uses and projects to which revenues from a lodging charge will be put, and the total estimated costs. The initiation petition must also estimate the rate for the charge, propose a breakdown by class of lodging businesses, and provide signatures of persons who operate lodging businesses in the proposed area who would pay 60 percent or more of the charges.

After receiving a valid initiation petition, the legislative authority must adopt a resolution stating its intention to establish an area. It must hold a public hearing. The legislative authority may then adopt an ordinance to establish a tourism promotion area. The legislative authority may impose a charge not to exceed $2 per night on persons who are taxable under the retail sales tax. The legislative authority may create up to six different classifications for lodging businesses, depending upon the number of rooms, room revenue, and location. The charge applies only at lodging businesses having at least 40 rooms.

The lodging businesses collect the charges and remit them to the Department of Revenue (Department) which deposits the revenues into the Local Tourism Promotion Account (Account) in the State Treasury. The State Treasurer distributes money in the Account monthly to the legislative authority on whose behalf the money was collected.

According to the Department, as of January 2009, areas within Benton, Chelan, Clark, Franklin, Spokane and Yakima counties were imposing tourism promotion area charges ranging from 50 cents to $2.

There is no provision for establishing a tourism promotion area in a county with a population greater than one million or smaller than 40,000. According to the Office of Financial Management, as of April 2008, there is one county whose population exceeds one million and 15 counties with populations less than 40,000.

"Tourism promotion" is defined to mean activities and expenditures designed to increase tourism and convention business. Activities include advertising, publicizing or distributing information in order to attract tourists, and operating tourism destination marketing organizations.

Summary: The restriction on forming a tourism promotion area in a county with a population above one million is removed. The legislative authority for such a county is comprised of two or more jurisdictions acting under an interlocal agreement to jointly establish and operate a tourism promotion area. The legislative authority must contract with the Department prior to the effective date of the ordinance for administration and collection of the lodging charge.

The Department may retain a portion of charge collections to offset its administrative costs.

Votes on Final Passage:

House	83	13
Senate	36	12

Effective: July 26, 2009

SHB 1291
C 40 L 09

Changing library district annexation provisions.

By House Committee on Local Government & Housing (originally sponsored by Representatives Maxwell, Simpson, Green, Rodne, Clibborn, Hasegawa, Ormsby, Orwall, Liias, Hudgins, Johnson, Sullivan and Hunter).

House Committee on Local Government & Housing
Senate Committee on Government Operations & Elections

Background: State law provides for the establishment, management, and operation of different categories of public libraries. In addition to public libraries established by cities, towns, and counties, statute authorizes the establishment of rural county library districts, island library districts, and intercounty rural library districts. The service areas of these special districts are as follows:

- a *"rural county library district"* provides library services to all areas within a county not included within incorporated cities and towns;
- an *"island library district"* provides library service for all areas outside of incorporated cities and towns on a single island only; and
- an "*intercounty rural library district*" provides library service for all areas outside of incorporated cities and towns within two or more counties.

Cities and towns with populations of 100,000 or less at the time of annexation may become part of these library districts. These cities and towns may do so by adopting an ordinance stating their intent to join the library district.

Summary: The maximum population that a city or town may have at the time of annexation into a rural county, island library, or intercounty rural library district is increased from 100,000 to 300,000.

Votes on Final Passage:

House	92	0
Senate	47	0

Effective: July 26, 2009

SHB 1292
C 543 L 09

Authorizing waivers from the one hundred eighty-day school year requirement in order to operate under a flexible calendar.

By House Committee on Education (originally sponsored by Representatives Newhouse, Chandler and Simpson).

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

Background: School Day and Hour Requirements. A school district's basic educational program must consist of a minimum of 180 school days per school year in such grades from 1 through 12 as are offered by the district. For kindergarten, a district must offer 180 half-days or its equivalent of instruction. Hourly instructional requirements include, at least 450 hours for kindergarten and a district-wide annual average of 1,000 hours for grades 1 through 12.

The State Board of Education (SBE) has authority to grant waivers from these requirements but its authority is limited and does not include the power to grant waivers for purposes of economy and efficiency. Waivers may be granted to implement a plan for restructuring the educational program to improve student achievement or to implement a local plan to provide for an effective education system for all students, including alternative ways to provide effective educational programs for students who experience difficulty with the regular education program. With respect to waivers from the 180-day requirement, the district must assure that it will continue to meet the annual average 1,000 hours of instructional time.

The Four-Day School Week. The vast majority of the nation's schools operate on a five-day school week. It is estimated, however, that about 100 school districts in 17 states have implemented a four-day school week. Most of these are small school districts in rural, sparsely populated areas in which the students face long commutes. In the 1970s during the energy crisis, New Mexico became the first state to allow a four-day school week. Today, there are four-day school weeks in at least some schools in Arizona, Colorado, Kansas, New Mexico, Michigan, Oregon, South Dakota, Wisconsin, Wyoming, Louisiana,

Arkansas, California, Kentucky, Idaho, Minnesota, Nebraska, and Utah.

The decision to go to a four-day school week has generally been predicated on grounds of efficiency and economy. It has been estimated that if school buildings are actually closed on the fifth day, savings of up to 20 percent can be realized with respect to expenses such as fuel, food, utilities, and perhaps wages of hourly workers. If the buildings remain open, however, the savings are less.

Summary: The SBE is granted authority to waive the 180-day requirement for districts that propose to operate one or more schools on a flexible calendar for purposes of economy and efficiency. Only five school districts are eligible for these waivers, two of which have student populations under 150 and three of which have student populations between 150 and 500. The requirement of an annual average of at least 1,000 instructional hours may not be waived.

School districts seeking such a waiver must submit:

- a proposed calendar showing how the instructional hour requirement will be met;
- an explanation and estimate of the economies and efficiencies to be gained;
- an explanation of how the monetary savings will be redirected to support student learning;
- a summary of public comments received at public hearing on the proposal together with an explanation of how the concerns will be addressed;
- an explanation of the impact upon students who rely on free and reduced lunch and the impact on the ability of the child nutrition program to operate an economically independent program;
- an explanation of impact upon employee recruitment;
- an explanation of the impact on students whose parents work during the missed school day; and
- other information as requested by the SBE to assure that the proposal will not adversely affect student learning.

The SBE must adopt criteria to evaluate these waiver requests. A waiver may be granted for up to three years with an opportunity to reapply for an extension. All such waivers expire August 31, 2014.

By December 15, 2013, the SBE must examine these waivers and recommend to the education committees of the Legislature whether this program should be continued, modified, or allowed to terminate. This recommendation should focus on whether the waiver program resulted in improved student learning as demonstrated by empirical evidence.

In addition, a reference to a previously repealed statute and a subsection which is no longer operative are removed and a statute is repealed, the only purpose of which was to provide for an application process for waivers under a previously repealed statute.

Votes on Final Passage:

House	87	10	
Senate	34	13	(Senate amended)
House			(House refuses to concur)
Senate	32	13	(Senate amended)
House	85	9	(House concurred)

Effective: July 26, 2009

HB 1295

C 402 L 09

Annexing areas used for agricultural fairs.

By Representatives Warnick and Upthegrove.

House Committee on Local Government & Housing
Senate Committee on Agriculture & Rural Economic Development

Background: State law authorizes multiple methods for municipal annexations. While code and non-code cities and towns have separate statutory requirements for governance and operation, the annexation methods employed are generally similar. A summary of the methods is as follows:

- *resolution/election method* - requires approval of city or town resolutions by voters residing in the proposed annexation area;
- *petition/election method* - includes initiatives petitioned and approved by the voters residing in the proposed annexation area;
- *direct petition method* - requires approval of direct petitions signed by property owners comprising a specific percentage of land value, without voter action. An alternative direct petition method based upon the signatures of qualifying property owners and registered voters was enacted into law in 2003; and
- *resolution only method*- includes annexations for municipal purposes approved by a majority of the city or town legislative body, or other actions not requiring voter or property owner action.

In 2003 legislation enacted an annexation method by which qualifying cities and towns may annex certain territory by ordinance if specific requirements, including the negotiation of interlocal agreements between the participating jurisdictions, are satisfied.

Property owned by a county and used for an agricultural fair is not subject to annexation by code or non-code cities and towns without the consent of the majority of the applicable board of county commissioners.

Summary: Procedures for the annexation of county-owned fairgrounds by code cities, non-code cities, and towns are established. To initiate the annexation process, the legislative body of the city or town proposing to annex territory owned by a county that is used for an agricultural

fair must submit a request for annexation and a legal description of the subject territory to the legislative authority of the county within which the territory is located.

Upon receipt of the request and description, the county legislative authority has 30 days to review the proposal and determine if the annexation proceedings will continue. The legislative authority may modify the proposal, but it may not add territory that was not included in the request and description. Approval of the county legislative authority is a condition precedent to further proceedings upon the request and there is no appeal of the decision of the legislative authority.

If the county legislative authority determines that the proceedings may continue, it must satisfy public notice and hearing requirements. If, following the conclusion of the hearing, a majority of the county legislative authority deems the annexation proposal to be in the best interest of the county, it may adopt a resolution approving of the annexation.

Should the legislative body of the city or town proposing annexation determine to effect the annexation, it must do so by ordinance. The ordinance may not include additional territory that was not in the county resolution, nor may it exclude territory that was in the resolution. Territory annexed through an ordinance in accordance with specified requirements is annexed and becomes a part of the city or town upon the date fixed in the ordinance.

Votes on Final Passage:

House	92	0	
Senate	45	0	(Senate amended)
House	97	0	(House concurred)

Effective: July 26, 2009

SHB 1300

C 320 L 09

Accessing mental health information.

By House Committee on Human Services (originally sponsored by Representatives Hurst, Dickerson, Pearson, Klippert, O'Brien and Smith).

House Committee on Human Services
House Committee on Health & Human Services Appropriations
Senate Committee on Human Services & Corrections
Senate Committee on Ways & Means

Background: On New Year's Eve 2007, a young woman in Seattle was stabbed and killed. The person charged with the offense had significant mental illness diagnoses and was under the supervision of a Department of Corrections officer. As a result, in early 2008 and throughout the year, a work group of mental health professionals, law enforcement, prosecuting and defense attorneys, and others convened to address areas in the involuntary treatment system that could be modified or further developed to improve community safety.

A report released by the work group, stated that communication across systems was a general problem faced daily by the professionals who dealt with mentally ill persons. Many professionals are prohibited from communicating with others because of confidentiality laws. In some cases, even where no legal prohibitions existed, there was a perception of a prohibition of sharing information, and the information was not shared. Further, statutes regarding confidentiality are not all located in one place, and a determination of the kinds of data and communications allowed to be shared were sometimes laborious and complicated.

The Involuntary Treatment Act (ITA) sets forth the procedures, rights, and requirements for an involuntary civil commitment. Persons may be initially detained for up to 72 hours for evaluation and treatment, and upon a petition to the court and subsequent order, the person may be held for a further 14 days. Upon a further petition and order by a court, a person may be held for a period of 90 days. If a person has been determined to be incompetent and criminal charges have been dismissed, and the person has committed acts constituting a felony as a result of a mental disorder and presents a substantial likelihood of repeating similar acts, the person may be further committed for a period of up to 180 days. No order of commitment under the ITA may exceed 180 days.

The ITA contains provisions for a release of mental health services information to various entities, including the Department of Corrections, attorneys, law enforcement, and others. The provisions regarding who is entitled to receive confidential information and what persons are allowed to do with that information are contained in several different places throughout the ITA. In some cases, the scope of the information that may be released to one entity, such as law enforcement, is limited.

Summary: Access to mental health treatment history information to: (1) law enforcement, (2) public health officials, (3) the Indeterminate Sentencing Review Board, and (4) jail personnel. The act also specifies what information may be released and the purposes for which it may be released. These provisions regarding the release of confidential information are consolidated in the Involuntary Treatment Act.

Votes on Final Passage:

House	97	0	
Senate	45	1	(Senate amended)
House	98	0	(House concurred)

Effective: July 26, 2009

SHB 1303
C 134 L 09

Collecting child mortality reviews into a database.

By House Committee on Health Care & Wellness (originally sponsored by Representatives Moeller, Green and Roberts).

House Committee on Health Care & Wellness
House Committee on Health & Human Services Appropriations
Senate Committee on Health & Long-Term Care

Background: Local health departments are authorized to conduct child mortality reviews. A child mortality review is a process for examining factors that contribute to deaths of children less than 18 years of age. The process may include:

- a systematic review of medical, clinical, and hospital records;
- home interviews of parents and caretakers of children who have died;
- analysis of individual case information; and
- review of the information by a team of professionals in order to identify modifiable medical, socioeconomic, public health, behavioral, administrative, educational, and environmental factors associated with the death.

The Department of Health (DOH) collects child mortality reviews, enters them into a database, and provides technical assistance relating to child mortality reviews. To do this, the DOH uses funding from the federal Maternal and Child Health Block Grant, one of the purposes of which is to reduce infant mortality.

Summary: The Department of Health (DOH) must assist local health departments to collect the reports of any child mortality reviews and assist the departments to enter the reviews into a database. The DOH must respond to any requests for information from the database to the extent the information is not protected health information. The DOH must also provide technical assistance to local health departments and child death review coordinators and encourage communication among child death review teams. The DOH must conduct these activities using only federal and private funding.

Votes on Final Passage:

House	97	0
Senate	47	0

Effective: July 26, 2009

SHB 1308
C 82 L 09

Reducing organ transplant benefit waiting periods based upon prior creditable coverage.

By House Committee on Health Care & Wellness (originally sponsored by Representatives Driscoll, Hinkle, Cody, Sells, Wood, Morrell, Kelley, Clibborn, Moeller, Pedersen, Hudgins, Ormsby, Parker, Chase, Kenney, Goodman, Bailey, Simpson, Herrera and Nelson; by request of Insurance Commissioner).

House Committee on Health Care & Wellness
Senate Committee on Health & Long-Term Care

Background: A pre-existing condition exclusion is a limitation or exclusion of benefits relating to a condition based on the fact that the condition was present before the date of enrollment for such coverage. Under state and federal law, an insurance company may impose a waiting period before a new policyholder is covered for certain pre-existing conditions. An insurance company may also impose a separate waiting period for an organ transplant.

If an employer or an individual changes health plans and the new coverage begins within 90 days, then his or her prior coverage applies toward the new plan's pre-existing condition waiting period. However, if a person needs an organ transplant, his or her previous coverage may not apply toward the separate transplant waiting period. Consequently, such a person may need to go through another full organ transplant waiting period.

Summary: For any new or renewed health benefit plan, a health carrier must reduce any organ transplant benefit waiting period by the amount of time a covered person had prior creditable coverage. (Consequently, if a person has less than a 90-day break in health coverage, the amount of time he or she has spent waiting for a transplant under the former health plan must carry over to the new health plan.) This requirement applies to any plan issued or renewed on or after January 1, 2010.

The definition of "creditable coverage" means the same as set forth in the federal Health Insurance Portability and Accountability Act (HIPAA), as it exists on this act's effective date, or on such subsequent date as may be provided by the Insurance Commissioner by rule, consistent with the purposes of the bill.

Votes on Final Passage:

House	97	0
Senate	46	0

Effective: July 26, 2009

SHB 1309
C 321 L 09

Regarding dental hygiene.

By House Committee on Health Care & Wellness (originally sponsored by Representatives Green, Ericksen, Appleton, Hinkle, Morrell, Rolfes, Cody, Moeller, Chase, Conway, Kenney, Goodman, Nelson and Roberts).

House Committee on Health Care & Wellness
Senate Committee on Health & Long-Term Care

Background: Unsupervised Practice of Dental Hygiene. A licensed dental hygienist is authorized to remove deposits and stains from the surfaces of teeth, apply topical preventative or prophylactic agents, polish and smooth restorations, perform root planing and soft-tissue curettage, and other dental operations and services delegated by a dentist. Generally speaking, a dental hygienist must be supervised by a dentist when performing these services.

One exception to this general rule is that a dental hygienist with two years of practical clinical experience within the last five years may provide dental hygiene operations and services without the supervision of a dentist when employed or retained by a health care facility, including a hospital, a nursing home, and a home health agency. Such a hygienist may only remove deposits and stains from the surfaces of teeth, apply topical preventative or prophylactic agents, polish and smooth restorations, and perform root planing and soft-tissue curettage.

Senior Centers. In 2007 the definition of "health care facilities" for purposes of allowing the unsupervised practice of dental hygiene was temporarily expanded to include senior centers. For purposes of this expansion, "senior center" was defined as a multi-purpose community facility operated and maintained by a nonprofit organization or local government for the organization and provision of a broad spectrum of health, social, nutritional, and educational services and recreational activities for persons 60 years of age or older. When providing services in a senior center, the dental hygienist must:

- enter into a written practice arrangement plan with a dentist who will provide off-site supervision;
- obtain relevant information about the patient's health from the patient's primary care provider; and
- collect data on the patients treated and provide the data to the Department of Health (DOH) each quarter.

The provisions authorizing a dental hygienist to provide dental hygiene without supervision in a senior center expire on July 1, 2009.

Community-Based Sealant Programs. A licensed dental hygienist is authorized to assess for and apply sealants and fluoride varnishes for low-income, rural, and other at-risk populations in community-based sealant programs carried out in schools. A dental hygienist participating in a community-based sealant program must either have been licensed prior to April 19, 2001, or be school-sealant endorsed under the DOH's School Sealant Endorsement Program. In 2007 the services a dental hygienist is authorized to carry out in these programs were expanded to include removing stains from the surfaces of teeth. This expansion expires on July 1, 2009.

A dental hygienist providing services in a community-based sealant program must collect data on the patients treated under the program and provide the data to the DOH each quarter.

Summary: Unsupervised Practice of Dental Hygiene. The circumstances under which a dental hygienist with two years practical experience in the preceding five years may practice without the supervision of a dentist are expanded to include:

- when a dental hygienist is contracted by a health care facility or a senior center to provide dental hygiene operations and services; and
- when a dental hygienist provides dental hygiene operations and services under a lease agreement with a health care facility or a senior center.

Senior Centers. The definition of "senior center" for purposes of allowing the unsupervised practice of dental hygiene is changed. Instead of a "broad spectrum" of health, social, nutritional, and educational services and recreational activities, the center must only provide a combination of some of these services.

The requirement of reporting patient data to the Department of Health (DOH) is terminated effective October 1, 2013.

The provisions that allow the unsupervised practice of dental hygiene in senior centers are made permanent; i.e., the expiration date is eliminated.

Community-Based Sealant Programs. The requirement of reporting patient data to the DOH is terminated effective October 1, 2013.

The provisions that allow dental hygienists to remove deposits and stains from the surfaces of teeth in community-based sealant programs are made permanent; i.e., the expiration date is eliminated.

Department of Health Reporting. The Secretary of Health must report to the Legislature information on patients receiving dental hygiene services in senior centers and community-based sealant programs by December 1, 2013.

Votes on Final Passage:

House	92	0	
Senate	45	0	(Senate amended)
House	97	0	(House concurred)

Effective: July 1, 2009

EHB 1311

C 149 L 09

Regulating reverse mortgage lending practices.

By Representatives Kirby, Bailey, Morrell, Sullivan, Kenney, Simpson and Nelson; by request of Department of Financial Institutions.

House Committee on Financial Institutions & Insurance
House Committee on General Government Appropriations
Senate Committee on Financial Institutions, Housing & Insurance

Background: The Consumer Loan Act (CLA) authorizes the Department of Financial Institutions (DFI) to regulate consumer loan companies doing business in Washington. Consumer loan companies include mortgage lenders and consumer finance companies. Retail installment contracts are exempt from the CLA. The CLA:

- limits the rates and fees lenders may charge on loans;
- establishes methods of calculation of interest;
- establishes standards for billing cycles;
- restricts certain loan provisions (one example is prepayment penalties);
- requires that lenders fully disclose the terms of loans; and
- prohibits lenders from engaging in unfair and deceptive acts and practices.

In 2008 legislation was enacted that applied the CLA to all loans made at any interest rate, not just those loans which exceed the rate established by the usury law (currently 12 percent). All loans must be calculated using a simple interest method which prohibits compounding interest. There are specific interest calculations for each billing cycle.

The Federal Housing Administration (FHA) is a federal program that provides mortgage insurance on specific types of loans. One such loan is a Home Equity Conversion Mortgage (HECM). A HECM is FHA's reverse mortgage program. To qualify a borrower must:

- be 62 years of age or older;
- own the property outright or have a small mortgage balance;
- occupy the property as his or her principal residence;
- not be delinquent on any federal debt; and
- participate in a consumer information session given by an approved HECM counselor.

The FHA allows a person to borrow against the equity in his or her home. There are five payment plan options:

- *tenure*- equal monthly payments as long as at least one borrower lives and occupies the property as a principal residence;
- *term* - equal monthly payments for a fixed period of months selected;
- *line of credit* - unscheduled payments or in installments, at times and in an amount of the borrower's choosing until the line of credit is exhausted;
- *modified tenure*- combination of line of credit plus scheduled monthly payments for as long as the borrower remains in the home; and
- *modified term* - combination of line of credit plus monthly payments for a fixed period of months selected by the borrower.

Payment options may be changed by the borrower for a fee of $20.

A HECM does not require repayment as long as the home is the borrower's principal residence. Lenders recover their principal, plus interest, when the home is sold. Any remaining value of the home goes to the borrower or his or her heirs. The borrower can never owe more than the home's value. If the sales proceeds are less than the amount owed, the FHA pays the lender the amount of the shortfall. The FHA collects an insurance premium from all borrowers to provide this coverage.

A HECM loan must be repaid in full when the borrower dies or sells the home. The loan also becomes due and payable if:

- the borrower does not pay property taxes or insurance or violates other obligations;
- the borrower permanently moves to a new principal residence;
- any borrower fails to live in the home for 12 months in a row; or
- the borrower allows the property to deteriorate and does not make necessary repairs.

Summary: A "reverse mortgage loan" is defined as a nonrecourse consumer credit obligation in which:

- a mortgage, deed of trust, or equivalent consensual security interest securing one or more advances is created in the borrower's dwelling;
- the broker or lender is licensed under Washington law or exempt from licensing under federal law; and
- any principal, interest, or shared appreciation or equity is due and payable, other than in the case of default, only after:
  - the consumer dies;
  - the dwelling is transferred; or
  - the consumer ceases to occupy the dwelling as a dwelling.

Reverse mortgage loans are exempted from the compounding interest prohibition and the billing and interest calculations of the CLA.

Two categories of reverse mortgage loans are created:

- An "FHA-approved reverse mortgage" is defined as a "home equity conversion mortgage" or other reverse mortgage product guaranteed or insured by the

federal Department of Housing and Urban Development (HUD).

- A "proprietary reverse mortgage loan" is any reverse mortgage loan product that is not a home equity conversion mortgage loan or other federally guaranteed or insured loan.

A licensee offering proprietary reverse mortgage loans must:

- maintain letters of credit in an amount necessary to fund all reverse mortgage loan requirements or $3 million, whichever is greater; and
- maintain a minimum capital of $10 million. A licensee may rely on the capital of a parent entity if the parent: (1) has a net worth of at least $100 million and (2) provides a binding written commitment to the licensee to make a minimum of $10 million available to the licensee.

The financial requirements do not apply if the licensee:

- fully disburses the proceeds of the proprietary reverse mortgage loans proceeds at the loan closing; or
- only originates proprietary reverse mortgage loans that are sold into the secondary market to an investor with a specified credit rating. There must be a written commitment from the investor to purchase the loans prior to closing. Delivery must be made to the investor within 10 days of the loan closing.

A proprietary reverse mortgage lender must:

- only make a reverse mortgage loan for a resident of this state that is at least 60 years of age at the time the loan is executed;
- refer a prospective borrower to an independent housing counseling agency approved by the HUD for counseling. The counseling must meet the standards and requirements established by the HUD for reverse mortgage counseling. The lender must provide the borrower with a list of at least five independent housing counseling agencies approved by the HUD, including at least two agencies that can provide counseling by telephone;
- allow prepayment without penalty at any time during the term of the reverse mortgage loan, with limited exceptions. A borrower must be provided prior written notice of any permissible prepayment penalty under this section;
- pay a specified late charge to the borrower for any late advance. The lender forfeits the right to interest and a monthly servicing fee for any months in which the advance has not been timely made;
- issue advances directly to the borrower, or his or her legal representative. This does not apply to an initial disbursement of moneys to the closing agent;
- disclose any interest rate or other fees to be charged between the date that the reverse mortgage loan is due and payable and when it is paid in full;
- disclose that the deed of trust secures a reverse mortgage loan; and
- provide an annual disclosure statement to the borrower, including details of the loan advances, balance, and other terms. This may be provided by a loan servicer.

The reverse mortgage loan may become due and payable upon the occurrence of any one of the following events:

- the home securing the loan is sold or title to the home is otherwise transferred;
- a defaulting event occurs which is specified in the loan documents; or
- all borrowers cease occupying the home as a principal residence.

Temporary absences from the home not exceeding 180 days do not cause the mortgage to become due and payable. Extended absences from the home exceeding 180 consecutive days, but less than one year, do not cause the mortgage to become due and payable if the borrower has taken prior action that secures and protects the home in a manner satisfactory to the lender.

A reverse mortgage lender must not:

- require an applicant to purchase an annuity as a condition of obtaining a reverse mortgage loan;
- offer an annuity to the borrower prior to the closing or before the expiration of the right of the borrower's rescission rights;
- refer the borrower to anyone for the purchase of an annuity prior to the closing or before the expiration of the right of the borrower's rescission rights;
- provide marketing information or annuity sales leads to anyone regarding the borrower, or receive any compensation for such an annuity sale or referral;
- take a proprietary reverse mortgage loan application unless the applicant has received a statement advising the prospective borrower about counseling prior to obtaining the reverse mortgage loan within three business days of receipt of the completed loan application; and
- accept a final and complete application from a prospective applicant or assess any fees upon a prospective applicant without first receiving a certification that the applicant has received counseling. The certification must be signed by the borrower and the counselor. The lender must retain the certification for the term of the reverse mortgage.

Lender and any other parties that participate in the origination of a reverse mortgage loan may not require an applicant to purchase insurance or other products as a condition of the loan.

Lender and other parties that participate in the origination of a reverse mortgage loan are prohibited from selling any other insurance or financial product to the borrower.

A borrower in a proprietary reverse mortgage transaction has the right to rescind within three business days of the transaction.

A reverse mortgage loan may provide for a fixed or adjustable interest rate or a combination, including compound interest, and may also provide for interest that is contingent on the value of the property upon execution of the loan or at maturity, or on changes in value between closing and maturity.

A proprietary reverse mortgage loan product may not be offered without preapproval by the Department of Financial Institutions (DFI). The Director of the DFI may make rules regarding the preapproval process and may disapprove any proprietary reverse mortgage loan products that are unfair, ambiguous, misleading, or contrary to public policy. The DFI has specific authority to develop rules regarding the interpretation and implementation of this section.

If a lender defaults and fails to cure the default, the borrower, or the borrower's estate, is entitled to treble damages. A borrower may also seek other remedies provided under law.

A violation of federal legal requirements for an FHA-approved reverse mortgage is a violation of state law.

There are provisions for the treatment of advances and undisbursed reverse mortgage loan funds for the purpose of determining eligibility and benefits under means-tested programs.

Votes on Final Passage:

House	97	0
Senate	47	0

Effective: July 26, 2009

SHB 1319

C 224 L 09

Prohibiting school district employees from using public assets for private gain.

By House Committee on Education (originally sponsored by Representatives Sullivan, Anderson, Miloscia, Dammeier, Hunt, Armstrong, Priest, Orwall, Morrell, Kenney, Simpson and Kelley).

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

Background: Under the Ethics in Public Service law, state officers and employees are prohibited from using state property under their official control or direction for their own, or another's, private benefit or gain. The ethics boards for each of the three branches of state government are authorized to adopt rules providing exceptions for occasional use, of de minimis cost and value, if the activity does not result in interference with the proper performance of public duties. Use of public resources to benefit others as part of the employee's or officer's official duties is not prohibited.

There is no comparable law applicable to school district employees.

Summary: School district employees are prohibited from using property, money or persons under their official control, direction, or custody, without authorization, for their own, or another's, private benefit or gain. Each school district board of directors may adopt policies permitting occasional use, of de minimis cost and value, if the activity does not interfere with the proper performance of public duties. Like the similar provision in the Ethics in Public Service law, the use of public resources to benefit others as part of the employee's official duties is not prohibited.

The Office of the Superintendent of Public Instruction is directed to adopt disciplinary guidelines for violations of the law.

Votes on Final Passage:

House	97	0
Senate	45	0

Effective: July 26, 2009

HB 1322

C 41 L 09

Repealing scoliosis screening in schools.

By Representatives Green, Morrell, Hinkle, Kirby, Kelley, Moeller, Blake, Seaquist, Rolfes, Cody and Simpson.

House Committee on Health Care & Wellness
Senate Committee on Early Learning & K-12 Education

Background: Scoliosis is a condition in which the spine curves away from the center of the body in an "S" or a "C" shape. Many cases of scoliosis are mild and require no treatment. For more severe cases, treatment with a brace or surgery may be warranted.

Public school students must be screened for scoliosis at least three times; once in the fifth grade, once in the seventh grade, and once in the ninth grade. The procedures used for the screenings must be consistent with the standards of the American Academy of Orthopedic Surgeons. The parent or guardian of any student suspected of having scoliosis must be notified of the results of the screening and be provided with information about treatment services available from health care providers.

Summary: The scoliosis screening program for public school students is repealed.

Votes on Final Passage:

House	96	0
Senate	45	3

Effective: July 26, 2009

SHB 1323
C 151 L 09

Providing for coordination of workforce and economic development.

By House Committee on Community & Economic Development & Trade (originally sponsored by Representatives Kenney, Liias, Haler, Sullivan, Sells, Hasegawa, Maxwell, Chase, Ormsby, Conway, Goodman, Morrell, Driscoll, Simpson and Orwall; by request of Workforce Training and Education Coordinating Board).

House Committee on Community & Economic Development & Trade
House Committee on Education Appropriations
Senate Committee on Higher Education & Workforce Development

Background: State and Local Workforce and Economic Development Organizations. *The Workforce Training and Education Coordinating Board* (WTB) provides planning, coordination, evaluation, monitoring and policy analysis for the state training.

The Department of Community, Trade and Economic Development (DCTED) assists communities to increase quality of life and economic vitality. It also assists businesses to maintain and increase economic competitiveness, while maintaining a healthy environment.

The Employment Security Department, administers unemployment compensation and employment services, and develops, administers, and disseminates state labor market information.

The State Board for Community and Technical Colleges has general supervision and control over the state system of community and technical colleges. These institutions offer academic transfer courses, occupational education and training, and adult basic skills and literacy education.

The Washington Economic Development Commission is responsible for planning, coordination, evaluation, policy analysis, and recommendations related to the state's economic development system.

Workforce development councils are 12 regional organizations that provide workforce development planning and coordination between education, training and employment efforts in their communities. They were formed under the Federal Workforce Investment Act of 1998, Public Law 105-220.

Associate development organizations are 34 county-designated organizations that deliver direct assistance to companies and support research, planning, and implementation of regional and local economic development strategies.

Sectors and Clusters. In its 2008 report "Skills for the Next Washington," the WTB describes and differentiates industry clusters and sectors. A sector is a group of firms with similar business products, services, or processes. Examples are aerospace, agriculture, and marine services. A cluster is a geographically concentrated, inter-related group of firms and other entities that do business with each other. The wine industry cluster in Walla Walla, for example, includes wineries, grape growers, banks, restaurants, hotels, and the community college's enology and viticulture programs.

Summary: State agencies and local organizations with missions related to workforce and economic development are directed to coordinate their.

The WTB must work with the DCTED and the Washington Economic Development Commission (Commission) to ensure coordination among workforce training priorities, the state's long-term economic development strategy, assistance to industry clusters, and entrepreneurial development. In its comprehensive plan for workforce training and education, the WTB must identify the strategic industry clusters targeted by the workforce development system.

The sector-based strategies of the DCTED must include cluster-based strategies that focus on assisting regional industry sectors and related firms and institutions. An "industry cluster" is defined to mean a geographic concentration of interconnected companies in a single industry, related businesses in other industries, including suppliers and customers, and associated institutions, including government and education.

The Commission is added to a committee advising the DCTED on its industry clusters grant program. Eligible grant activities are specified, including formation of economic development partnerships; research and analysis of cluster economic development needs; and planning and implementation of targeted activities. Priority must be given to applicants that complement, not duplicate, the purpose and efforts of industry skill panels. In addition, the Commission is directed to include industry clusters and targeted strategic clusters in its biennial comprehensive plan. The Commission must consult with the WTB and include labor market and economic information provided by the Employment Security Department (ESD) in developing the list of clusters and strategic clusters.

The ESD must analyze labor market and economic data in order to identify industry clusters and strategic industry clusters.

The State Board for Community and Technical Colleges (SBCTC) must designate and fund new and existing centers of excellence on a competitive basis. A "center of excellence" is defined to mean a community or technical college designated by the SBCTC as a statewide leader in industry-specific workforce education and

training. The SBCTC must consult with business, industry, labor, certain state agencies, and educational institutions. Priority in centers of excellence designations is to be given to applicants with established programs serving a targeted industry cluster within its own region. Centers of excellence are to employ strategies that, among other outcomes, build a diverse workforce for strategic industries through sharing curriculum, delivering collaborative certificate and degree programs, and holding statewide summits on industry trends and educational best practices.

A "workforce development council" is defined to mean a local workforce investment board as established in federal law. In partnership with local elected officials, a council must develop and maintain a unified local strategic plan that, among other elements, assesses local employment opportunities, identifies the educational, training, employment and support services needed by the current and future workforce, and puts in place a systemwide financial strategy. The plan must articulate the connection between local workforce and economic development efforts.

Associate development organizations are required to participate in coordinated regional planning efforts with workforce development councils, including assistance to regional industry clusters.

By December 15, 2010, the WTB, the DCTED, the Commission, the ESD, and the SBCTC must jointly submit a written progress report to appropriate legislative committees describing concrete actions taken, individually and collectively, to achieve the act's intent and objectives. The report must describe: direct services or funding provided to regional industry clusters; designation and funding of centers of excellence; identification of clusters in state and local strategic plans; how analysis of labor market and economic data is being used in cluster identification; joint planning and service delivery by associate development organizations and workforce development councils; coordination of workforce training, economic development strategy and entrepreneurial development; and, quantitative and qualitative outcomes.

Votes on Final Passage:

House	96	1
Senate	46	0

Effective: July 26, 2009

HB 1324

C 139 L 09

Modifying the requirements of psychological examinations for peace officer certification.

By Representatives O'Brien, Ericks, Goodman, Crouse and Wood; by request of Criminal Justice Training Commission.

House Committee on Public Safety & Emergency Preparedness

Senate Committee on Judiciary

Background: In 2005 legislation was enacted that required all new full-time, part-time, and returning reserve officers to pass a psychological and polygraph test as a condition of continued employment as a peace officer.

Each county, city, or state hiring law enforcement agency must require every law enforcement officer applicant who has been offered a conditional offer of employment and every returning reserve officer who has been out of work for more than two years to take and successfully pass a psychological examination. The psychological examination must be administered by a Washington licensed psychiatrist or psychologist. Although additional tests may be administered at the option of the hiring law enforcement agency, at a minimum, the psychological exam must consist of a standardized clinical test that: (1) complies with accepted psychological standards; and (2) is widely used as an objective clinical screening tool for personality and psychosocial disorders.

The hiring law enforcement agency is authorized to require those applicants taking the psychological test to pay a portion of the testing fee based on the actual cost of the test or $400, whichever is less. In addition, the hiring entity may establish a payment plan for those instances where an applicant may not readily have the means to pay for his or her portion of the testing fee.

The Criminal Justice Training Commission (CJTC) must deny peace officer certification to any officer who has lost his or her certification as a result of a break in law enforcement work of more than two years and has failed to pass the psychological test.

Summary: The CJTC must set the standards for the psychological exams that are taken by law enforcement officers. All psychological exams must be administered by a licensed psychiatrist or psychologist and must be standardized and in compliance with the established rules of the CJTC.

Votes on Final Passage:

House	96	0
Senate	46	0

Effective: July 26, 2009

ESHB 1326
C 331 L 09

Establishing a license limitation program for harvest and delivery of Pacific sardines into the state.

By House Committee on Agriculture & Natural Resources (originally sponsored by Representatives Blake, Van De Wege, Kretz and Nelson; by request of Department of Fish and Wildlife).

House Committee on Agriculture & Natural Resources
Senate Committee on Natural Resources, Ocean & Recreation

Background: Sardine distribution is seasonal and/or driven by ocean conditions. Sardines can be found from Mexico to Canada up to 200 miles off the coast. In Washington sardines are typically caught 10 to 35 miles offshore.

An experimental commercial fishery allows the harvest of a newly classified species, or harvest of a previously classified species, in a new area or by new means. Pacific sardine is managed under the Emerging Commercial Fishery provisions as an experimental commercial fishery by the Washington Department of Fish and Wildlife (WDFW). The fishery is open to purse seine gear only. Participants are required to annually renew their Emerging Commercial Fisheries License ($185 for residents; $295 for nonresidents) and Experimental Sardine Fishery Permit.

Summary: A vessel designation, along with either a Washington sardine purse seine fishery license (Sardine License) or a temporary annual fishery permit (Permit), is required to use purse seine gear to fish for or possess Pacific sardines in offshore waters. People who have a valid Oregon or California license or permit to fish for or possess sardines in offshore waters do not need a Washington Sardine License or Permit. However, a Washington Sardine License or Permit is required to deliver Pacific sardines into the state.

A Sardine License may be: (1) issued to a person who held a Coastal Pilchard Experimental Fishery Permit (Pilchard Permit) in 2008, or to any person who held a Pilchard Permit in 2005, 2006, or 2007 and whose vessel designated on the permit sank prior to 2008; (2) renewed annually; and (3) transferable.

Only a person who owns or operates a vessel designated on the license or permit may hold a Sardine License or Permit.

Beginning in 2010, after taking into consideration the status of the Pacific sardine population, the impact of removal of sardines and other forage fish to the marine ecosystem, including the effect on endangered marine species, and the market for Pacific sardines in the state, the WDFW Director may issue a Sardine License to any person, as long as the issuance of the Sardine License would not raise the number of licenses beyond the number initially issued in 2009.

Beginning in 2010, a Permit may be issued to any person if the combined number of active Sardine Licenses and Permits already issued during the year is less than 25.

The WDFW Director must adopt rules that require a person fishing under a Sardine License or Permit to minimize by-catch and the mortality of by-catch.

The annual fee for a Sardine License or a Permit is $185 for residents and $295 for nonresidents. A Permit expires at the end of the calendar year in which the permit is issued. A person may not own or hold an ownership interest in more than two Sardine Licenses.

Votes on Final Passage:

House	96	0	
Senate	44	0	(Senate amended)
House	97	0	(House concurred)

Effective: July 26, 2009

SHB 1328
C 64 L 09

Allowing public technical colleges to offer degrees that prepare students to transfer to certain bachelor degree programs.

By House Committee on Higher Education (originally sponsored by Representatives Carlyle, Morrell, Maxwell, Eddy, Anderson, Green, Van De Wege, Sells, White, Hasegawa, Wallace, Dunshee, Priest, McCoy, Dickerson, Williams, Ormsby, Finn, Liias, Kelley, Probst, Kenney, Hunt, Kessler, Pettigrew, Haigh, Goodman, Ericks, Blake, Jacks, Angel, Driscoll, Schmick, Hudgins, Hunter, Moeller, Chase, Springer, Conway, Sullivan, Rolfes, Simpson, Campbell, Santos and Roberts).

House Committee on Higher Education
House Committee on Education Appropriations
Senate Committee on Higher Education & Workforce Development

Background: There are 34 community and technical colleges in the state including 29 community colleges and five technical colleges. The State Board for Community and Technical Colleges (SBCTC) provides financial, academic, and information technology coordination for all 34 colleges.

Technical colleges generally award degrees and certificates that prepare students for direct entry into the workforce. Students that graduate from a technical college and want to continue their education can transfer their workforce courses into specific Bachelor's of Applied Science (BAS) programs that are specifically designed to match up with the focus in the workforce degree. Otherwise, the technical coursework does not generally transfer.

The state's community colleges offer both technical degrees, similar to those offered at technical colleges, as

well as academic degrees that are designed to transfer to baccalaureate institutions. The law does not allow technical colleges to offer academic transfer degrees.

The Higher Education Coordinating Board (HECB) is responsible for establishing a statewide transfer of credit policy and agreement, in cooperation with the public institutions of higher education and the SBCTC. Together these entities created the Direct Transfer Agreement (DTA). Any student who completes an approved DTA associate degree at a community college is considered to have satisfied the lower division general education requirements at a public four-year institution. These students are generally admitted as juniors when they transfer.

In the late 1990s, analysis of students' credit accumulation and graduation patterns revealed that transfer students in science, math, and other highly structured majors did not graduate as efficiently as non-transfer students. When they arrived at a four-year institution, these students needed to take additional lower division course requirements to qualify for their major.

To address this problem, the Council of Presidents, the HECB, and the SBCTC convened a workgroup to develop a statewide Associate of Science Transfer Degree (AS-T), which was adopted in 2000. Under the AS-T, students take more math and science prerequisites while at the community college, with the objective of transferring directly into a major once they reach the four-year institution.

More recently, the HECB asked that the Joint Access Oversight Group develop Major Related Programs (MRPs). A MRP is based on the DTA or AS-T but specifies the prerequisite coursework that will provide the best preparation for entry into certain competitive majors. In 2005 the workgroups completed four MRPs: nursing, elementary education, pre-engineering, and engineering technology. In 2007 the group completed additional programs in secondary education, earth and space science, and construction management. This cadre of degrees is generally characterized as preparing students for entry into professional fields.

Summary: In addition to offering technical degrees, technical colleges are allowed to offer transfer degrees that prepare students for professional bachelor's degrees. Professional degrees, in this context, will be identified by the SBCTC.

The SBCTC must adopt rules creating consistency between community and technical colleges offering associate degrees that prepare students for these degrees. The SBCTC may address issues related to tuition and fee rates, tuition waivers, enrollment counting including the use of credits instead of clock hours, and degree granting authority.

Votes on Final Passage:

House	97	0
Senate	44	0

Effective: July 26, 2009

SHB 1332

C 504 L 09

Granting authority of a watershed management partnership to exercise powers of its forming governments.

By House Committee on Judiciary (originally sponsored by Representatives Goodman, Anderson, Springer, Clibborn, Eddy, Simpson, Rodne, Pedersen, Hunter and Maxwell).

House Committee on Judiciary
Senate Committee on Environment, Water & Energy

Background: Interlocal Cooperation Act. The Interlocal Cooperation Act allows public agencies to enter into agreements with one another for joint or cooperative action. Any power, privilege, or authority held by a public agency may be exercised jointly with one or more other public agencies having the same power, privilege, or authority. A "public agency" for purposes of interlocal agreements includes any agency, political subdivision, or unit of local government.

Watershed Management Partnerships. State law establishes a mechanism for conducting watershed planning through a locally initiated process. Watershed planning may include elements such as water quality, habitat, and instream flow.

Under the Interlocal Cooperation Act, public agencies may enter into interlocal agreements to form a watershed management partnership to implement all or parts of a watershed management plan, including coordination and oversight of plan implementation. Watershed plans, salmon recovery plans, and watershed management elements of comprehensive plans and shoreline master programs are considered "watershed management plans" for these purposes.

A watershed management partnership may create a separate legal entity to conduct the cooperative undertaking of the partnership. The separate legal entity may contract indebtedness and may issue general obligation bonds.

Power of Eminent Domain. Eminent domain is the power of a government to take private property within its jurisdiction with payment of just compensation to the owner of the property. Many different public and private entities have been granted the power of eminent domain for public use or for a private way of necessity.

Under the Interlocal Cooperation Act, if two or more entities with the power of eminent domain join to form a watershed management partnership, then the partnership itself will have the power of eminent domain. However, in such a case, the power of eminent domain may not extend to the separate legal entity created by a watershed management partnership. The separate legal entity may not be a "public agency" within the meaning of the Interlocal Cooperation Act.

Summary: A watershed management partnership and the separate legal entity created by it to conduct the operations of the partnership may exercise the power of eminent

domain if all of the public agencies that form the partnership have the power of eminent domain. The partnership or legal entity may exercise eminent domain power only for those utility purposes for which the partnership was formed and solely for providing water services to its customers.

In order to exercise this eminent domain power, the watershed management partnership must have been formed before July 1, 2006, and must be governed by a board of directors consisting entirely of elected officials from the cities and districts constituting the partnership.

A watershed management partnership must comply with certain requirements before exercising eminent domain powers. The partnership must comply with statutory notice requirements and must provide notice 30 days before the partnership board authorizes condemnation to the city, town, or county having jurisdiction over the subject property.

The partnership must enter into an interlocal agreement with a city to allow eminent domain within that city if the city is not a member of the partnership and has water or sewer service areas within one-half mile of Lake Tapps or within 5 miles upstream from Lake Tapps along the White River. A process is created for a city located within this area to file and resolve a claim that the partnership's Lake Tapps water supply operations have a negative impact on the city's water supplies. If a court determines that there has been a negative impact to the city, the partnership must implement a remedy acceptable to the city, and if the city and partnership do not agree on a remedy, the court must establish the terms of a remedy.

Votes on Final Passage:

House	88	4	
Senate	43	2	(Senate amended)
House			(House refuses to concur to all amendments)
Senate	43	5	(Senate amended)
House	92	4	(House concurred)

Effective: July 26, 2009

HB 1338

C 83 L 09

Qualifying for good cause for late filing of reports, contributions, penalties, or interest.

By Representatives Conway, Condotta, Wood, Armstrong, Hunt, Green, Williams, Crouse, Moeller, Chandler, Chase, Simpson and Kelley; by request of Employment Security Department.

House Committee on Commerce & Labor
Senate Committee on Labor, Commerce & Consumer Protection

Background: Most employment in the state is covered for unemployment insurance. Most covered employers are required to pay contributions (taxes) on a percentage of their taxable payroll. (There are some employers who reimburse the Employment Security Department for benefits paid to their former workers.)

For qualified employers, contribution rates are determined by the combined rate assigned to the employer based on layoff experience, social costs, and any solvency surcharge. Contribution rates vary, but may not exceed 6.5 percent plus any solvency surcharge. For employers that are not qualified because of delinquent payments of contributions, interest, or penalties, contribution rates are higher.

For purposes of determining whether employers are qualified or delinquent, the Employment Security Department is:

- authorized to disregard delinquent payments if the amount is less than $100 or less than 0.5 of 1 percent of the employer's yearly tax; and
- authorized to disregard delinquent reports and payments from certain domestic services if an otherwise qualified employer acted in good faith and forfeiture of qualification would be inequitable.

Summary: For purposes of determining whether employers are qualified or delinquent, the Employment Security Department is:

- required to disregard delinquent payments if the amount is less than $100 or less than 0.5 of 1 percent of the employer's yearly tax; and
- authorized to disregard delinquent reports and payments from any services if an otherwise qualified employer acted in good faith and forfeiture of qualification would be inequitable.

Votes on Final Passage:

House	96	1
Senate	42	0

Effective: July 26, 2009

HB 1339
C 225 L 09

Correcting statutory references.

By Representatives Conway, Wood, Armstrong, Hunt, Condotta, Green, Williams, Crouse, Moeller and Chandler; by request of Employment Security Department.

House Committee on Commerce & Labor
Senate Committee on Labor, Commerce & Consumer Protection

Background: Washington's unemployment insurance system requires most covered employers to pay contributions.

Legislation in 2007 amended and restructured provisions in the Employment Security Act (Act) that specify how contribution rates are determined. The legislation did not correct two references to these provisions elsewhere in the Act.

Summary: Corrections are made to two references to provisions in the Employment Security Act that specify how contribution rates are determined.

Votes on Final Passage:

House	96	0
Senate	46	0

Effective: July 26, 2009

SHB 1347
C 443 L 09

Regarding financial education.

By House Committee on Ways & Means (originally sponsored by Representatives Santos, Roach, Morrell, Moeller, Chase and Roberts).

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

Background: The Financial Literacy Public-Private Partnership (FLPPP) was created in 2004 to adopt a definition of financial literacy and identify strategies to increase the financial literacy of public school students. The FLPPP is made up of four legislators, four representatives from the financial services sector, four educators, and one designee from the Office of the Superintendent of Public Instruction (OSPI) and the Department of Financial Institutions. Since 2006 the Legislature has appropriated $50,000 per year to support the FLPPP, which has been matched by private sources from the FLPPP Account established in the custody of the State Treasurer for this purpose.

To date, the FLPPP has focused on adopting a definition of financial literacy, examining financial education curriculum for alignment with Washington's learning standards, examining financial literacy learning standards that have been developed in other states and by national organizations, and providing and encouraging professional development and workshops in financial literacy for educators. In 2008 financial literacy was included within Washington's 7th grade Grade Level Expectations for social studies and economics.

The JumpStart Coalition is a national organization that promotes financial education and is composed of over 180 public and private partners with state affiliates, including one in Washington. The JumpStart Coalition has adopted personal financial literacy learning standards for grades K-12.

The FLPPP is scheduled to expire June 30, 2009.

Summary: The Financial Education Public-Private Partnership (Partnership) is established, which replaces the Financial Literacy Public-Private Partnership (FLPPP). The Partnership is composed of: four members of the Legislature; four representatives from the financial services sector appointed by the Governor; four teachers appointed by the Superintendent of Public Instruction (SPI); one representative from the Department of Financial Institutions; and two representatives from the Office of the Superintendent of Public Instruction (OSPI), one from curriculum development and one from teacher professional development.

Members are to be appointed by August 1, 2009, and the chair is selected from among the legislative members. To the extent funds are available, the Partnership may hire a staff person, who would be housed in the OSPI only for administrative purposes. The FLPPP Account (Account) is renamed and the SPI may authorize expenditures from the Account only at the direction of the Partnership.

The duties of the FLPPP are repealed. The following duties are assigned to the Partnership, to be conducted to the extent funds are available:

- communicate financial education standards and strategies for improving financial education to school districts;
- review financial education curriculum;
- develop evaluation standards and a procedure for endorsing financial education curriculum;
- identify assessments and outcome measures that schools can use to determine whether students meet financial education standards;
- monitor and provide guidance for professional development;
- work with the OSPI and the Professional Educator Standards Board to create professional development that leads to a certification in financial education;
- develop guidelines and protocols for classroom volunteers providing financial education; and
- submit an annual report by December 1 of each year.

If funds are appropriated, the OSPI and the FEP provide technical assistance and grants to support up to four school districts conducting demonstration projects for district-wide adoption and implementation of the JumpStart Coalition National Standards in K-12 Personal Finance Education. The selected districts must integrate financial education at all grades in all schools in the district, establish local partnerships in the community to promote financial education, and conduct pre- and post-testing of students' financial literacy.

The termination date of the FLPPP is repealed.

Votes on Final Passage:

House	78	19	
Senate	38	7	(Senate amended)
House	78	20	(House concurred)

Effective: July 26, 2009

ESHB 1349

C 323 L 09

Renewing orders for less restrictive treatment.

By House Committee on Human Services (originally sponsored by Representatives Green, Moeller, Dickerson, Cody and Kenney).

House Committee on Human Services
Senate Committee on Human Services & Corrections

Background: The Involuntary Treatment Act (ITA) sets forth the procedures, rights, and requirements for an involuntary civil commitment. Persons may be initially detained for up to 72 hours for evaluation and treatment. Upon a petition to the court and subsequent order, the person may be held for an additional 14 days. Upon a further petition and order by a court, a person may be held for a period of 90 days. If a person has been determined to be incompetent and criminal charges have been dismissed, and the person has committed acts constituting a felony as a result of a mental disorder and presents a substantial likelihood of repeating similar acts, the person may be further committed for a period of up to 180 days. No order of commitment under the ITA may exceed 180 days.

After a hearing pursuant to a petition for a 90-day commitment, the court may find that a less restrictive alternative (LRA) is more appropriate than a commitment to a state facility. When the 90-day term of the LRA is complete, the person must be released from involuntary treatment unless a designated mental health professional files a new petition for involuntary treatment on the grounds that:

- the respondent has threatened, attempted to inflict, or inflicted physical harm upon another person or has inflicted substantial damage upon the property of another; and as a result of a mental disorder or developmental disability, the person presents a likelihood of serious harm; or
- the respondent was taken into custody as a result of conduct in which he or she attempted to inflict or inflicted serious physical harm to another person and continues to present a likelihood of serious harm as a result of a mental disorder or developmental disability; or
- the respondent is in custody as a result of criminal allegations of a felony offense, and the respondent has been determined to be incompetent and as a result of a mental disorder presents a substantial likelihood of repeating similar acts; or
- the respondent continues to be gravely disabled.

Under each option, the petitioner must demonstrate that the respondent presents a likelihood of serious harm. Pursuant to the grounds set forth for continued commitment, the court may order the person returned for an additional period of treatment not to exceed 180 days.

Summary: Additional grounds are created under which a petition may be filed to continue a court order for less restrictive treatment (LRA). The additional grounds for a new petition for continued treatment under the LRA are:

- the person has a history of lack of compliance with treatment for mental illness which precipitated the current period of commitment and at least one other involuntary commitment for mental health treatment during the 36 months preceding the current involuntary commitment period;
- the person is unlikely to voluntarily participate in outpatient treatment without an order for less restrictive treatment, in view of the person's treatment history or current behavior; and
- outpatient treatment that would be provided under a less restrictive treatment order is necessary to prevent a relapse or deterioration that is likely to result in serious harm or the person becoming gravely disabled within a reasonably short period of time.

The grounds to extend treatment pursuant to an order for less restrictive treatment are less than those required for the initial order for less restrictive treatment. The petitioner does not need to show that the respondent is likely to commit serious harm to himself, herself or others, or that the respondent is gravely disabled.

An extension of a less restrictive treatment order is not permitted where the determination of a likelihood of serious harm is based solely on harm to the property of others.

A new section is created for the treatment of a person with a developmental disability who is civilly committed.

Votes on Final Passage:

House	97	0	
Senate	47	0	(Senate amended)
House			(House refuses to concur)
House	89	0	(House concurred)

Effective: July 26, 2009

2SHB 1355
C 238 L 09

Establishing the opportunity internship program for high school students.

By House Committee on Ways & Means (originally sponsored by Representatives Probst, Quall, Kessler, Sullivan, Wallace, Maxwell, Rolfes, Springer, Green, Jacks, Carlyle, Kenney, Ormsby, Seaquist, Liias, Sells, Priest, Dammeier, Hunt, Hudgins, Morrell, Van De Wege, Moeller, Chase, Conway, Goodman, Driscoll, Simpson, Santos and Kelley).

House Committee on Education
House Committee on Ways & Means
Senate Committee on Higher Education & Workforce Development
Senate Committee on Ways & Means

Background: Workforce Development. The workforce development system in Washington has federal, state, and local components. The Workforce Training and Education Coordinating Board (Workforce Board) is a state agency charged with coordinating planning, policy, and accountability for 18 workforce programs administered by seven different agencies. At the local level there are 12 Workforce Development Councils (WDCs) that are non-profit organizations made up of a broad array of community organizations, businesses, labor, education agencies, and local governments. The WDCs coordinate local workforce development services, provide outreach to employers, convene local leaders to address regional and industry-specific issues, and oversee the state's WorkSource system to deliver employment and training services. One of the target populations for the WDC services is disadvantaged youth.

In-Demand Scholars. In 2005 the Association of the 12 WDCs received an earmark grant from the U. S. Department of Labor to create an internship and scholarship program for high school students that was intended to address local workforce needs in strategic growth industries. The In-Demand Scholars Program included classroom presentations by industry executives, internships or job shadows for students, and scholarships for postsecondary training for eligible students to give them the skills needed to develop careers in the targeted industries. Six of the WDCs participated and, over the course of a little over two years, provided a total of 144 scholarships.

State Need Grant. The State Need Grant (SNG) is the state's primary financial aid program to assist needy students with the costs of postsecondary education. Students with family incomes of up to 70 percent of the state median family income are eligible for a grant for up to five years of study at an institution of higher education approved by the Higher Education Coordinating Board to participate in the program. In 2007-08 approximately 70,000 students received $182 million in grants from the SNG. Students can use the grant for tuition, room, board, books, and fees.

Summary: The Opportunity Internship Program (Program) is created to provide incentives for local consortia to build educational and employment pipelines for low income high school students in high demand occupations in targeted industries. The Program is administered by the Workforce Training and Education Coordinating Board (Workforce Board). Consortia are composed of the local Workforce Development Council (WDC), Economic Development Council, high schools, community or technical colleges, public and private four-year institutions of higher education, apprenticeship councils, private vocational schools, employers, and labor organizations.

Under the Program, consortia commit to the following activities, using existing federal, state, and private resources:

- identify high demand occupations in targeted industries for which internships and pre-apprenticeships will be developed and provided for low income students;
- develop paid or unpaid internships and pre-apprenticeships of at least 90 hours in length;
- provide mentoring, guidance, and assistance with college applications and financial aid;
- guarantee a job interview if a participating student completes a postsecondary program of study;
- conduct outreach efforts to inform students about the program and high demand occupations in targeted industries;
- maintain communication with program graduates who enroll in postsecondary programs of study; and
- submit an annual report to the Workforce Board.

Consortia are encouraged to: designate the WDC as fiscal agent; provide summer internships and pre-apprenticeships; work with area high schools to incorporate the Program into counseling programs and make the internships count as worksite learning experiences for high school credit; and coordinate with other workforce education and financial aid programs.

A low income student is one in 10th, 11th, or 12th grade in a public high school who qualifies for federal free and reduced price meals at the time of entry into the Program. A high demand occupation is one with a substantial number of employment opportunities. A postsecondary program of study is an undergraduate or graduate certificate, apprenticeship, or degree program.

The Workforce Board selects up to 10 consortia with the strongest commitment, readiness, capacity, and experience to operate a program. The Workforce Board attempts to select consortia representing a geographic distribution across the state and a variety of targeted industries. Each consortium may select no more than 100 low income students per year to participate.

Each year, the consortia submit lists of Program graduates to the Workforce Board, which sends the lists to the Higher Education Coordinating Board. Those Program graduates who enroll in a postsecondary program of study within one year of high school graduation are eligible to receive a State Need Grant (SNG) for up to one year. Program graduates must be enrolled in an approved institution of higher education, which may include related and supplemental instruction for apprentices that is provided through a community or technical college. Program graduates who are in an apprenticeship program can use the SNG award to pay for instruction, tools, and other program costs.

Subject to funds provided for this purpose, a consortium receives a $2,000 payment for each Program graduate who completes a postsecondary program of study and then obtains and retains employment in a high demand occupation that pays a starting salary or wages of at least $30,000 per year for at least six months. If there are not sufficient funds, the Workforce Board prorates the payment across the consortia and informs the Governor and Legislature of the amount of the shortfall. Payments must be used to continue operating internship programs.

The Workforce Board conducts an outcome evaluation of the financial benefits of the Program. A preliminary analysis is due December 1, 2012, and a final analysis is due by December 1, 2014.

Votes on Final Passage:

House	65	32
Senate	29	18

Effective: July 26, 2009

HB 1361

C 227 L 09

Regarding county supervised community options.

By Representatives Goodman, Rodne, Williams, Dickerson, Walsh, Kagi, Roberts, Pettigrew, O'Brien, Armstrong, Appleton, Ericks, Warnick, Haigh, Moeller, Rolfes, Carlyle, Wallace, Seaquist and Morrell.

House Committee on Human Services
Senate Committee on Human Services & Corrections

Background: Alternatives to Total Confinement. The Sentencing Reform Act allows the court to impose alternatives to sentences of total confinement. These alternatives are available for offenders who have sentences of one year or less, and they may be ordered by the court at the time of sentencing. One day of partial confinement, such as work release or home detention, may be substituted for one day of total confinement.

Community Restitution: For offenders who are convicted of non-violent offenses only, eight hours of community restitution (formerly called community service) may be substituted for one day of total confinement. The conversion is limited to 30 days. Thus, 30 days can be converted to 240 hours of community service.

County Supervised Facility: For offenders who are convicted of non-violent and non-sex offenses, time spent post sentencing in a county supervised facility for substance abuse treatment, such as an in-patient facility, may be credited the same as total confinement. That is, one day spent in an in-patient facility may be credited the same as one day in jail.

Credit for Time Served/Earned Release Time. If at the time of sentencing, an offender has been confined to jail before sentencing is imposed and the confinement was related to the offense that is before the court at the time of sentencing, the court must allow the defendant to receive credit for time served against the sentence imposed.

Offenders who are under total confinement may accrue "earned release time." This amount may vary from county to county. Generally, defendants accrue earned release time equal to one-third of their sentence. Earned release time may also accrue during time served in partial confinement if the form of partial confinement is work release or work crew. Earned release time does not accrue during time served on home detention.

Summary: For offenders convicted of non-violent and non-sex offenses, the court may give the defendant credit for time served in a county-supervised community option for chemical dependency both prior to and after sentencing. The defendant may accrue earned release time while participating in a county-supervised option as if the defendant had served that time in total confinement or in partial confinement where earned early credit is allowed.

Votes on Final Passage:

House	96	0
Senate	47	0

Effective: July 26, 2009

ESHB 1362

C 387 L 09

Concerning vehicles used in prostitution-related offenses.

By House Committee on Judiciary (originally sponsored by Representatives Goodman, Rodne, Sullivan, Williams, Orwall, O'Brien, Kirby, Chase and Conway).

House Committee on Judiciary
Senate Committee on Judiciary

Background: Vehicle Impoundment for Prostitution-related Offenses. Upon an arrest for a suspected violation of patronizing a prostitute or commercial sexual abuse of a minor, the arresting law enforcement officer may impound the person's vehicle if: (1) the vehicle was used in the commission of the crime; (2) the person arrested is the owner of the vehicle; and (3) the person arrested has previously been convicted of patronizing a prostitute or commercial sexual abuse of a minor.

The Prostitution Prevention and Intervention Account. Persons convicted of promoting prostitution in the first or second degree, commercial sexual abuse of a minor, patronizing a prostitute, indecent exposure, prostitution, or permitting prostitution are assessed a fee. The fee is deposited into the Prostitution Prevention and Intervention Account, which funds the Prostitution Prevention and Intervention Services Grant Program (Program). The Program provides funding for programs that provide prostitution prevention and intervention services, including counseling, parenting, housing relief, education, and vocational training.

Summary: Vehicle Impoundment for Prostitution-related Offenses. Motor vehicles are subject to impoundment when they are used to facilitate the following prostitution-related offenses: patronizing a prostitute, promoting prostitution in the first degree, promoting prostitution in the second degree, promoting travel for prostitution, commercial sexual abuse of a minor, promoting commercial sexual abuse of a minor, and promoting travel for commercial sexual abuse of a minor. The arresting law enforcement officer may impound the person's vehicle if: (1) the vehicle was used in the commission of the crime; and (2) the person arrested is the owner of the vehicle or the vehicle is a rental car; and (3) the person arrested has previously been convicted of a prostitution-related offense.

A prior conviction of a prostitution-related offense is not a requirement for impoundment if the offense was committed within an area designated by the local governing authority. The designation must be based on evidence indicating that the area has a disproportionately higher number of arrests for prostitution-related offenses compared to other areas within the same jurisdiction of the local governing authority. The local governing authority must post signs at the boundaries of the designated areas to indicate that the area has been designated.

Prior to redeeming an impounded vehicle, the owner must pay all applicable impoundment, towing, and storage fees, and a fine of $500. The impounding agency collects the $500 fine and issues a receipt to the owner of the vehicle. To redeem an impounded vehicle, the owner must provide the receipt to the towing company and pay all impoundment, towing, and storage fees. A towing company that relies on a forged receipt to release an impounded vehicle is not liable for any unpaid fine.

A person is entitled to a full refund of the impoundment, towing, and storage fees, and the $500 fine if he or she substantially prevails in a proceeding to challenge the validity of an impoundment or is found not guilty of a prostitution-related offense at trial. Any refund is paid by the impounding authority upon proof of payment.

The Prostitution Prevention and Intervention Account. The $500 fine paid to the impounding agency must be deposited into the Prostitution Prevention and Intervention Account.

Required Release of Impounded Vehicles. The general towing and impoundment chapter is amended to require an impounding agency to authorize the release of an impounded vehicle pursuant to an applicable state agency rule or local ordinance on the basis of the following: (1) economic or personal hardship to the spouse of the operator, taking into consideration public safety factors, including the operator's criminal history and driving record; or (2) if the owner was not the driver, the owner did not know that the driver's license was suspended or revoked, and the owner has not received a prior release.

Votes on Final Passage:

House	91	4	
Senate	47	0	(Senate amended)
House	97	0	(House concurred)

Effective: July 26, 2009

HB 1366
C 90 L 09

Making technical changes to boiler and unfired pressure vessel statutes.

By Representatives Wood, Conway, Condotta, Chandler and Ormsby; by request of Department of Labor & Industries.

House Committee on Commerce & Labor
Senate Committee on Labor, Commerce & Consumer Protection

Background: Certain boilers and unfired pressure vessels are subject to regulation by the Board of Boiler Rules (Board) and inspection by the Department of Labor and Industries (Department). The Board develops rules based on nationally or internationally accepted engineering standards. The Board also adopts standards such as the American Society of Mechanical Engineers' (ASME) code. The Director of the Department approves rules, appoints the Chief Inspector, and assesses penalties against persons who violate safety standards for boilers and unfired pressure vessels.

The Chief Inspector issues "inspection certificates" for boilers and unfired pressure vessels that are found to comply with the Board's rules. The Board grants "special installation and operating permits" and "special permits" for other boilers and unfired pressure vessels.

Certain boilers and unfired pressure vessels are exempt from regulation. These include some water tanks that operate at 130 degrees or less, and small unfired pressure vessels and hot water heaters. Other boilers and unfired pressure vessels are exempt from inspection requirements, but subject to regulations governing construction, installation, and repair.

Certain boilers and unfired pressure vessels are inspected annually, and others are inspected biennially. The Board, however, may provide for longer periods between

inspections of power boilers and unfired pressure vessels subject to internal corrosion.

The Chief Inspector and the deputy inspectors are required to furnish performance bonds. The state pays the cost of the bonds.

Summary: The term "inspection certificate" is used in place of the terms "special installation and operating permit" and "special permit."

The exemptions from regulation are modified. The exemption for some water tanks is for those that operate at ambient temperature (rather than 130 degrees or less). The exemption for small unfired pressure vessels is changed to conform to American Society of Mechanical Engineer standards. The exemption for small domestic hot water heaters is moved to a separate subsection.

The Board of Boiler Rules is authorized to provide for longer periods between internal inspections of low pressure heating boilers.

The bonding requirement for the Chief Inspector and the deputy inspectors is repealed.

Other technical changes are made.

Votes on Final Passage:

House	96	0
Senate	46	0

Effective: July 26, 2009

2SHB 1373

C 388 L 09

Concerning children's mental health services.

By House Committee on Health & Human Services Appropriations (originally sponsored by Representatives Dickerson, Kagi, Green, Cody, Darneille, Dunshee, Roberts, Goodman, Appleton, Kenney, Orwall, Hurst, Moeller, Takko, Chase, Rolfes, Carlyle, Simpson, Nelson, Conway and Ormsby).

House Committee on Early Learning & Children's Services
House Committee on Health & Human Services Appropriations
House Committee on Ways & Means
Senate Committee on Human Services & Corrections
Senate Committee on Ways & Means

Background: Overview of Children's Mental Health Services. State-provided children's mental health services in Washington are delivered primarily through Regional Support Networks (RSNs) established to develop local systems of care. The RSNs consist of counties or groups of counties authorized to contract with licensed service providers and deliver services directly. In addition to RSN's, some children receive mental health services through managed care programs, such as Healthy Options, or from private providers on a fee-for-service basis. Access to mental health treatment can be achieved through minor-initiated, parent-initiated, or state-initiated options.

Second Substitute House Bill 1088. In 2007 the Legislature enacted Second Substitute House Bill 1088 (2SHB 1088), declaring legislative intent to develop a system of children's mental health emphasizing early identification, intervention, and prevention with a greater reliance on evidence-based and promising practices, with the following elements:

- a continuum of services from early identification and intervention through crisis intervention, including peer support and parent mentoring services;
- equity in access to services;
- developmentally appropriate, high-quality, and culturally competent services;
- treatment of children within the context of their families and other supports;
- a sufficient supply of qualified and culturally competent providers to respond to children from families whose primary language is not English;
- use of developmentally appropriate evidence-based and research-based practices; and
- integrated and flexible services to meet the needs of children at-risk.

Managed Care and Fee-for-Service Programs. Under 2SHB 1088, the DSHS was directed to revise its Medicaid managed care and fee-for-service programs to improve access to children's mental health services by:

- increasing from 12 to 20, the number of outpatient therapy visits allowed annually under the programs; and
- allowing those services to be provided by all mental health professionals licensed by the Department of Health.

These changes are set to expire July 1, 2010.

Evidence-Based Practice Institute. The Children's Mental Health Evidence-Based Practice Institute (EBP Institute) was established in 2007 as part of 2SHB 1088. The EBP Institute is located at the University of Washington Division of Public Behavioral Health and Justice Policy and serves as a statewide resource to the DSHS and other entities on child and adolescent evidence-based and promising practices. The EBP Institute also:

- participates in the identification of outcome-based performance measures for monitoring quality improvement processes in children's mental health services;
- partners with youth, families, and culturally competent providers to develop information and resources for families regarding evidence-based and promising practices;
- consults with communities for the selection, implementation, and evaluation of evidence-based

children's mental health practices relevant to the communities' needs;
- provides sustained and effective training and consultation to licensed children's mental health providers implementing evidence-based or promising practices; and
- collaborates with other public and private entities engaged in evaluating and promoting the use of evidence-based and promising practices in children's mental health treatment.

Summary: Managed Care and Fee-for-Service Programs. The July 1, 2010, expiration date for the increase in the annual number of out-patient mental health office visits and the provision allowing those services to be provided by all licensed mental health professionals is eliminated. The number of office visits for children receiving outpatient mental health therapy under the managed care and fee-for-service programs remains at 20 visits per year, and those services may be provided by licensed mental health professionals and persons under their direct supervision. Administration of managed care and fee-for-service programs must comply with federal rules relating to early, periodic, screening, diagnosis, and treatment, and developmental screenings must be used to identify and provide medically necessary treatment.

Evidence-Based Practice Institute. The DSHS and the EBP Institute must collaborate to encourage and create incentives for the use of prescribing practices and evidence-based and research-based practices by licensed mental health professionals serving children.

The act is null and void if funding is not appropriated in the state omnibus appropriations act by June 30, 2009.

Votes on Final Passage:

House	66	29	
Senate	41	3	(Senate amended)
House	69	27	(House concurred)

Effective: July 26, 2009

HB 1375

C 152 L 09

Eliminating foster care citizen review boards.

By Representatives Roberts, Appleton, Walsh, Kagi, Liias, Upthegrove and Kenney.

House Committee on Early Learning & Children's Services

Senate Committee on Human Services & Corrections

Background: Foster Care Citizen Review Boards (CR Boards) were established as a pilot program to be administered by the Administrative Office of the Courts (AOC) during the 1989-91 biennium. The sum of $500,000 was appropriated to implement the pilot. The CR Boards were designed with the intent of creating local volunteer citizen review boards to advise county-based superior court judges on children's dependency cases. The CR Boards were exempted from some of the procedures and standards applicable to administrative and judicial hearings and received training in confidentiality requirements and conflict of interest matters.

Historical budget notes indicate CR Boards were implemented in Snohomish, Yakima, and Clallam counties. Additional funding was appropriated in the 1991-93 biennium, but in the 1993-95 biennium, program funding was eliminated from the AOC budget because the cost-effectiveness of the program was in doubt.

After funding was eliminated, only Snohomish County continued to utilize a CR Board in its processing of children's dependency cases. In January 2009, however, Snohomish County eliminated its CR Board, based in part on the county's budget constraints.

Summary: The chapter and related session laws establishing local volunteer foster care citizen review boards are repealed.

Votes on Final Passage:

House	96	0
Senate	45	0

Effective: July 26, 2009

ESHB 1379

C 444 L 09

Regarding moratoria and other interim official controls adopted under the shoreline management act.

By House Committee on Local Government & Housing (originally sponsored by Representatives Seaquist, Angel and Liias).

House Committee on Local Government & Housing

Senate Committee on Government Operations & Elections

Background: Shoreline Management Act. The Shoreline Management Act (SMA) governs uses of state shorelines. The SMA enunciates state policy to provide for shoreline management by planning for and fostering "all reasonable and appropriate uses." The SMA prioritizes public shoreline access and enjoyment and creates preference criteria listed in prioritized order that must be used by state and local governments in regulating shoreline uses.

The SMA involves a cooperative regulatory approach between local governments and the state. At the local level, the SMA regulations are developed in city and county shoreline master programs (master programs) that regulate land use activities in shoreline areas of the state. Master programs must be consistent with guidelines adopted by the Department of Ecology (DOE), and the programs, and segments of or amendments to, become effective when approved by the DOE.

Supreme Court Action. On October 11, 2007, the Washington Supreme Court ruled in *Biggers v. City of Bainbridge Island*, that Bainbridge Island exceeded its authority in adopting rolling moratoria for shoreline development. The four justices comprising the lead opinion indicated that the city's actions failed, in part, because the SMA does not include an express provision authorizing jurisdictions to adopt moratoria. Concurring in the lead opinion, a fifth justice concluded that the city had proper authority to adopt moratoria, but that the imposition of rolling moratoria was unreasonable and in excess of its lawful power.

Summary: Local governments may adopt moratoria or other interim official controls as necessary and appropriate to implement the SMA. Local governments adopting a moratorium or control under the SMA must satisfy timely public hearing requirements, adopt detailed findings of fact, and notify the DOE of the moratoria or controls. Local governments adopting a moratorium or control under the SMA must also provide that all lawfully existing uses, structures, or other development must continue to be lawful conforming uses and may, with some exceptions, continue to be maintained, repaired, and redeveloped under applicable land use and shoreline rules and regulations.

A moratorium or control under the SMA may be effective for up to six months if a detailed work plan for remedying the issues and circumstances necessitating the moratorium or control is developed and made available for public review. Moratoria and controls may be renewed for two six-month periods if the local government satisfies public hearing, fact finding, and notification requirements before each renewal.

If a moratorium or control under the SMA is in effect on the date a proposed master program or master program amendment is submitted to the DOE, the moratorium or control must remain in effect until the DOE's final action on the master program or amendment, or six months after the date of the submittal to the DOE, whichever is first.

Specified moratoria and interim official control provisions may not be construed to modify county and city moratoria powers conferred outside the SMA.

Votes on Final Passage:

House	60	36	
Senate	31	16	(Senate amended)
House			(House refuses to concur)
Senate	30	19	(Senate amended)
House			(House refuses to concur)
Senate	28	19	(Senate amended)
House	67	28	(House concurred)

Effective: July 26, 2009

HB 1380
C 153 L 09

Changing the county population requirement in order for a county to lease space with an option to purchase.

By Representatives Liias, Sells, O'Brien, Dunshee, Kirby and Kagi.

House Committee on Local Government & Housing
Senate Committee on Government Operations & Elections

Background: Any county may be exempt from state laws governing county leasing options if it holds public hearings and establishes procedures for property management consistent with the public interest.

State law grants counties with a population of 1 million or more with special authority to lease building space. Such counties may participate in leasing arrangements that include:

- leases with an option to purchase; and
- the acquisition of buildings erected upon leased land owned by the county.

Summary: Provisions granting a county with special authority to lease space are amended. The minimum population of such counties is decreased from 1 million to 600,000.

Votes on Final Passage:

House	92	0
Senate	47	0

Effective: July 26, 2009

EHB 1385
C 324 L 09

Modifying provisions relating to sexual misconduct by school employees.

By Representatives Haler, Van De Wege, Kessler, Pearson, Takko, Klippert, Blake, Morrell, Dammeier, Warnick, Smith and Johnson.

House Committee on Public Safety & Emergency Preparedness
Senate Committee on Judiciary

Background: A person is guilty of the class C felony of sexual misconduct with a minor in the first degree if the person is a school employee and has sexual intercourse with a registered student of the school who is at least 16 years old, if the employee is at least 60 months older than the student.

A person is guilty of the class B felony of sexual misconduct with a minor in the second degree if one of several specified acts occur, including if the person is a school employee and has sexual contact with a registered student of the school who is at least 16 years old, if the employee is at least 60 months older than the student.

In January 2009, Division II of the Washington Court of Appeals interpreted the sexual misconduct with a minor statute. In the case of *State v. Hirschfelder,* a high school choir teacher was alleged to have had sexual intercourse with an 18-year-old member of the high school choir shortly before the student graduated from high school, and, as a result, was charged with one count of first degree sexual misconduct with a minor. The question considered by the Court of Appeals was whether the statute prohibits sexual intercourse with minor students aged 16 and 17 only, or with *all* students aged 16 and older.

The Court of Appeals held the statute is ambiguous, but that legislative history indicates the Legislature intended to criminalize only sexual contact between school employees and students aged 16 and 17.

Summary: The term "enrolled student" is defined to mean: (1) any student enrolled at or attending a program hosted or sponsored by a common school; (2) a student enrolled at or attending a program hosted or sponsored by a private school; or (3) any person who receives home-based instruction.

The crime of sexual misconduct with a minor in the first degree is modified to criminalize sexual intercourse between a school employee and an enrolled student of the school who is at least 16 years old and not more than 21 years old.

The crime of sexual misconduct with a minor in the second degree is modified to criminalize sexual contact between a school employee and an enrolled student of the school who is at least 16 years old and not more than 21 years old.

Votes on Final Passage:

House	81	14	
Senate	44	0	(Senate amended)
House	82	16	(House concurred)

Effective: July 26, 2009

SHB 1388

C 91 L 09

Changing the date for setting the amount of pipeline safety fees.

By House Committee on Technology, Energy & Communications (originally sponsored by Representatives Jacks, McCoy, Crouse and Morris; by request of Utilities & Transportation Commission).

House Committee on Technology, Energy & Communications

Senate Committee on Environment, Water & Energy

Background: Pipeline Safety Account. Gas companies, interstate gas pipeline companies, and hazardous liquid pipeline companies subject to inspection or enforcement by the Utilities and Transportation Commission (UTC) must pay an annual pipeline safety fee to the UTC. Fees received by the UTC must be deposited in the Pipeline Safety Account (Account). Any penalties collected by the UTC enforcing state pipeline safety standards are deposited into the Account. Grants received by the Pipeline Safety Program from the U.S. Department of Transportation's Federal Pipeline and Hazardous Materials Safety Administration (PHMSA) must be deposited into the Account. Expenditures from the Account must be used for funding pipeline safety.

Pipeline Safety Fees. Pipeline safety fees are set by the UTC on a yearly basis based on miles reported by the gas pipeline companies, interstate gas pipeline companies, and hazardous liquid pipeline companies, and number of hours charged to a company. The UTC sets the amount of the fee payable by each regulated entity by general order before July 1 of each year.

The aggregate amount of fees must be sufficient to recover the reasonable costs of administering the pipeline safety program, taking into account federal funds used to offset the costs. The fees must be sufficient to adequately fund pipeline inspection personnel, the timely review of pipeline safety and integrity plans, the timely development of spill response plans, the timely development of accurate maps of pipeline locations, participation in federal pipeline safety efforts, and the staffing of the Citizens Committee on Pipeline Safety.

Pipeline and Hazardous Material Safety Administration. The PHMSA, acting through the Office of Pipeline Safety (OPS), administers the national regulatory program to assure safe transportation of natural gas, petroleum, and other hazardous materials by pipeline. The federal/state partnership helps to assure uniform implementation of the Pipeline Safety Program nationwide.

The OPS is authorized to reimburse a state agency up to 80 percent of the actual cost for carrying out its Pipeline Safety Program, including the cost of personnel and equipment. The actual amount of federal reimbursement depends upon the availability of appropriated funds and state program performance.

Reimbursements from the PHMSA to state Pipeline Safety Programs occur after July 1 of each year, usually in late summer.

Summary: The UTC is permitted to establish by rule the date by which it determines the annual amount of the pipeline safety fee payable by gas pipeline, interstate gas pipeline, and hazardous liquid waste companies.

Reference to a repealed statute is removed.

Votes on Final Passage:

House	96	0
Senate	43	0

Effective: July 26, 2009

HB 1394
C 92 L 09

Changing the timeline for the state comprehensive plan for workforce training and education.

By Representatives White, Kenney, Wallace, Orwall, Carlyle, Anderson, Sells, Chase and Sullivan; by request of Workforce Training and Education Coordinating Board.

House Committee on Higher Education
Senate Committee on Higher Education & Workforce Development

Background: The Workforce Training and Education Coordinating Board (Workforce Board) is a Governor-appointed body representing a partnership of 12 members from business, labor, and government. The Workforce Board advises the Governor on workforce development policy, ensures that the state's workforce preparation services and programs work together, and evaluates performance. The Workforce Board also advocates for the non-baccalaureate training and education needs of the workers who account for about 75 percent of Washington's workforce.

The Workforce Board's comprehensive plan is meant to serve as the roadmap for the workforce development system. The Legislature is required, following public hearings, to approve or make changes to the plan updates by way of a concurrent resolution. Once so approved, the plan becomes the state's workforce training policy unless legislation is enacted to alter the policies set forth in the plan. Every year, by December 1, the Workforce Board reports to the appropriate legislative policy committees on progress in implementing the comprehensive plan.

In 2008 the Workforce Board approved the comprehensive plan, *High Skills, High Wages 2008.* The plan details goals and strategies for the next 10 years, although the strategic opportunities outlined are intended as guidance for focusing the workforce agenda during the next two to four years. The timelines for the plan mirror current statutory planning and reporting requirements of the state's Strategic Master Plan for Higher Education, submitted by the Higher Education Coordinating Board and adopted by the Legislature in 2008.

Summary: The Workforce Board will continue to plan for a 10-year period; however, the plan will be updated every four years rather than every two years. The Workforce Board will continue to submit annual progress reports by December 1.

Votes on Final Passage:

House	97	0
Senate	45	0

Effective: July 26, 2009

HB 1395
C 353 L 09

Clarifying terms for workforce and economic development.

By Representatives Wallace, Anderson, Hasegawa, Sells, Chase and Kenney; by request of Workforce Training and Education Coordinating Board.

House Committee on Higher Education
Senate Committee on Higher Education & Workforce Development

Background: The term "high demand" has been widely used in recent years and has been interpreted in different ways creating confusion among stakeholders. To address this issue, the Governor's office convened a workgroup of agencies to develop common definitions that were completed in 2007. The workgroup included: the Workforce Training and Education Coordinating Board (Workforce Board); the State Board for Community and Technical Colleges (SBCTC); the Department of Community, Trade and Economic Development; the Employment Security Department; the Department of Labor and Industries; the Higher Education Coordinating Board; and the Council of Presidents.

The common definitions for terms related to "high demand" identified by the workgroup are listed below.

High Employer Demand Program of Study: Undergraduate or graduate certificate, apprenticeship or degree program in which the number of students prepared for employment per year (from in-state institutions) is substantially less than the number of projected job openings per year in that field — statewide, or in a sub-state region.

High Demand Occupation: An occupation with a substantial number of current or projected employment opportunities.

High Student Demand Program of Study: Undergraduate or graduate certificate or degree program, or apprenticeship, in which student demand substantially exceeds program capacity.

The Workforce Board worked with the workgroup to review statutes to identify areas in need of clarification.

Summary: Workforce and economic development terms are clarified and made consistent by:

- replacing "high demand field" with "high demand occupation" in statute for WorkFirst "work activity;"
- providing a statutory definition of "high employer demand program of study" in the statute pertaining to the Opportunity Grant program under the State Board for Community and Technical Colleges;
- replacing "high demand programs" with "high employer demand programs of study" in the state statute pertaining to the pilot program to improve services to customers of vocational rehabilitation under the Department of Labor and Industries; and

- inserting a common definition for "high demand occupation" in the statute pertaining to the training benefits program.

Certain activities, including the identification of high employer demand programs of study, must be done by SBCTC, labor and business, and the Workforce Board specifically for the purpose of identifying opportunity grant-eligible programs of study and other job training programs.

Votes on Final Passage:

House	95	0	
Senate	47	0	(Senate amended)
House	91	0	(House concurred)

Effective: July 26, 2009

SHB 1397
C 203 L 09

Concerning the delegation of authority to registered nurses.

By House Committee on Health Care & Wellness (originally sponsored by Representatives Moeller, Ericksen, Cody, Green, Hinkle, Morrell, Bailey, Williams, Nelson and Wood).

House Committee on Health Care & Wellness
Senate Committee on Health & Long-Term Care

Background: Registered Nurses. A registered nurse is a person who performs acts requiring substantial specialized knowledge, judgment, and skill based on the principles of the biological, physiological, behavioral, and sociological sciences in:

- the observation, assessment, diagnosis, care or counsel, and health teaching of individuals with illnesses, injuries, or disabilities, or in the maintenance of health or prevention of illness in others;
- the performance of acts requiring education and training that are recognized by the medical and nursing professions as proper and that are authorized by the Nursing Care Quality Assurance Commission;
- the administration, supervision, delegation, and evaluation of nursing practice;
- the teaching of nursing; or
- the execution of medical regimen as prescribed by certain health care professionals.

A registered nurse may administer medications, treatments, tests, and inoculations, if within his or her scope of practice, at the direction of a licensed physician and surgeon, dentist, osteopathic physician and surgeon, naturopathic physician, podiatric physician and surgeon, physician assistant, osteopathic physician assistant, or advanced registered nurse practitioner.

Optometry. Optometry is the examination of the human eye, the examination of any defects in the human vision system, and the analysis of the process of vision. The practice of optometry includes:

- the use of objective or subjective means or methods, including the use of drugs, for diagnostic and therapeutic purposes;
- the use of diagnostic instruments or devices for the examination or analysis of vision;
- the prescription, fitting, and adjustment of lenses, prisms, and contact lenses;
- the prescription and provision of visual therapy, therapeutic aids, and other optical devices; and
- the adaptation of prosthetic eyes.

Summary: A registered nurse may administer medications, treatments, tests, and inoculations, at the direction of an optometrist.

Votes on Final Passage:

House	97	0
Senate	48	0

Effective: July 26, 2009

ESHB 1401
C 42 L 09

Concerning the standard health questionnaire.

By House Committee on Health Care & Wellness (originally sponsored by Representatives Cody, Hinkle, Morrell, Ericksen, Green, Moeller and Kelley).

House Committee on Health Care & Wellness
Senate Committee on Health & Long-Term Care

Background: The U.S. Congress passed the Consolidated Omnibus Budget Reconciliation Act (COBRA) health benefit provisions in 1986. The law amends the Employee Retirement Income Security Act (ERISA), the Internal Revenue Code and the Public Health Service Act to provide continuation of group health coverage that otherwise would be terminated.

The COBRA contains provisions giving certain former employees, retirees, spouses and dependent children the right to temporary continuation of health coverage at group rates. This coverage, however, is only available in specific instances. Group health coverage for COBRA participants is usually more expensive than health coverage for active employees, since usually the employer formerly paid a part of the premium. It is ordinarily less expensive, though, than individual health coverage.

The law generally covers group health plans maintained by employers with 20 or more employees in the prior year. It applies to plans in the private sector and those sponsored by state and local governments. The law does not, however, apply to plans sponsored by the federal government and certain church-related organizations.

Group health plans sponsored by private sector employers generally are welfare benefit plans governed by

ERISA and subject to its requirements for reporting and disclosure, fiduciary standards and enforcement. The ERISA neither establishes minimum standards or benefit eligibility for welfare plans nor mandates the type or level of benefits offered to plan participants. It does, though, require that these plans have rules outlining how workers become entitled to benefits.

Under the COBRA, a group health plan ordinarily is defined as a plan that provides medical benefits for the employer's own employees and their dependents through insurance or otherwise (such as a trust, health maintenance organization, self-funded pay-as-you-go basis, reimbursement, or combination of these). Medical benefits provided under the terms of the plan and available to COBRA beneficiaries may include:

- inpatient and outpatient hospital care;
- physician care;
- surgery and other major medical benefits;
- prescription drugs; and
- any other medical benefits, such as dental and vision care.

A 2009 analysis from The Commonwealth Fund found that few laid-off workers, only 9 percent, took up coverage under the COBRA in 2006. Unemployed workers who also lose their health insurance would need substantial financial assistance, covering 75 to 85 percent of their health insurance premiums, for their premium contributions to remain at the levels they paid while they were working, according to the report, "Maintaining Health Insurance During a Recession: Likely COBRA Eligibility," by Michelle M. Doty, Director of Survey Research at The Commonwealth Fund.

The report also found that low-wage workers are at a particular disadvantage – with only 38 percent eligible to receive COBRA benefits – because they do not receive health insurance through their jobs, work for small firms that are not required to offer COBRA, or are uninsured to begin with. Sixty-six percent of all current workers, if laid off, would be eligible to extend their health insurance under COBRA. For most people, the COBRA payments are unaffordable, about four to six times higher than the amount of money they contributed to their health insurance when they were employed. According to The Commonwealth Fund report, millions of the eligible could keep their coverage if they could get assistance with their premiums, which average $4,704 per year for an individual and $12,680 a year for a family.

Summary: Individuals who are eligible to purchase the Consolidated Omnibus Budget Reconciliation Act (COBRA) continuation coverage or who drop COBRA continuation coverage are not required to take the standard health questionnaire when they apply for individual health insurance coverage. Individuals who do not qualify for COBRA coverage because their employer employs fewer than 20 employees do not have to complete the Standard Health Questionnaire if they apply for an individual health care policy within 90 days of a federally defined qualifying event.

Votes on Final Passage:

House	97	0
Senate	46	0

Effective: July 26, 2009

SHB 1402

C 391 L 09

Restricting contact with medical providers after appeals have been filed under industrial insurance.

By House Committee on Commerce & Labor (originally sponsored by Representatives Williams, Campbell, Conway, Moeller and Green).

House Committee on Commerce & Labor
Senate Committee on Labor, Commerce & Consumer Protection

Background: Under the Industrial Insurance Act (Act), medical providers examining or attending injured workers must make reports requested by the Department of Labor and Industries (Department) or a self-insured employer about the condition or treatment of an injured worker, or about any other matters concerning an injured worker in their care. All medical information in the possession or control of any person relevant to a particular injury must be made available at any stage of proceedings to the employer, the worker's representative, and the Department. The Act states that no person incurs any legal liability for releasing this medical information.

The Act also provides that in all proceedings before the Department, the Board of Industrial Insurance Appeals (Board), or before any court, providers may be required to testify regarding examination or treatment of an injured worker and are not exempt from testifying based on the doctor-patient relationship.

When the Director of the Department (Director) or a self-insured employer deems it necessary to resolve a medical issue, an injured worker must submit to an independent medical examination by a physician selected by the Director.

Parties aggrieved by an order of the Department may appeal to the Board.

Summary: Restrictions are placed on contact by employers and the Department of Labor and Industries (Department) with attending and treating medical providers and on contact by workers with independent medical examination (IME) providers.

Employer Contact with Examining or Treating Provider. After receipt of a notice of appeal, an employer may not have contact to discuss the issues in question in the appeal with any medical provider who examined or treated the worker unless the worker provides written authorization for the contact.

Without written authorization, communication must be:

- in writing, sent contemporaneously to all parties with a distinct notice to the provider that any response must be in writing;
- in person, by telephone, or by video conference, at a mutually agreed to time and date, with the worker given the opportunity to fully participate; or
- by deposition.

Contact is permitted for the ongoing management of the claim, including communication regarding the worker's treatment needs and the provider's treatment plan, vocational and return-to-work issues and assistance, and certification of the worker's inability to work, unless these issues are in question in the appeal.

Worker Contact with Employer IME Provider. After receipt of a notice of appeal, the worker may not have contact to discuss the issues in question in the appeal with any IME provider who has examined the worker at the request of the employer unless the employer provides written authorization.

Without written authorization, communication must be:

- in writing, sent contemporaneously to all parties with a distinct notice to the provider that any response must be in writing;
- in person, by telephone, or by video conference, at a mutually agreed to time and date, with the Department and employer given the opportunity to fully participate; or
- by deposition.

Department Contact with Examining or Treating Provider. After an appeal is filed, a conference has been held to schedule hearings, and the worker has named witnesses, the Department may not have contact to discuss the issues in question in the appeal with any medical provider who has examined or treated the worker and been named as a witness unless the worker provides written authorization.

Without written authorization, communication must be:

- in writing, sent contemporaneously to all parties with a distinct notice to the provider that any response must be in writing;
- in person, by telephone, or by video conference, at a mutually agreed to time and date, with the worker given the opportunity to fully participate; or
- by deposition.

Contact is permitted for the ongoing management of the claim, including communication regarding the worker's treatment needs and the provider's treatment plan, vocational and return-to-work issues and assistance, and certification of the worker's inability to work, unless these issues are in question in the appeal.

Worker Contact with Department IME Provider. After an appeal is filed, a conference has been held to schedule hearings, and the worker has named witnesses, the worker may not have contact to discuss the issues in question in the appeal with any medical provider who examined the worker at the request of the Department unless the Department provides written authorization.

Without written authorization, communication must be:

- in writing, sent contemporaneously to all parties with a distinct notice to the provider in bold type that any response must be in writing;
- in person, by telephone, or by video conference, at a mutually agreed to time and date, with the Department given the opportunity to fully participate; or
- by deposition.

Provisions Applicable to All Contacts. Written authorization for contact is valid only if given after the appeal is filed, and the authorization expires in 90 days. Written authorization is not required if the worker, employer, or the Department, as the case may be, fails to identify the provider as a witness. The provisions also apply to representatives of the employer, worker, and the Department.

Upon motion by either party, the industrial appeals judge assigned to the case may determine whether a party has made itself reasonably available to participate in an in-person, telephone, or video conference communication. If the judge finds that a party has not made itself reasonably available, the judge may determine appropriate remedies, including setting a date and time for contact and/or sanctioning a party.

A medical provider who discusses issues on appeal in violation of the provisions is not liable for the communication.

The Department and the Board of Industrial Insurance Appeals may adopt rules to implement the provisions, which apply to orders entered on or after the act's effective date.

Votes on Final Passage:

House	55	42	
Senate	29	18	(Senate amended)
House	56	41	(House concurred)

Effective: July 26, 2009

SHB 1413
C 249 L 09

Concerning water discharge fees.

By House Committee on Agriculture & Natural Resources (originally sponsored by Representatives McCoy, Nelson, Quall and Blake).

House Committee on Agriculture & Natural Resources
House Committee on General Government Appropriations
Senate Committee on Environment, Water & Energy

Background: The federal Clean Water Act (CWA) sets effluent limitations for discharges of pollutants. "Pollutant" is defined in the CWA to include a variety of materials discharged into water through human activities, construction or industrial processes, or other methods.

The Department of Ecology (DOE) is the delegated CWA authority by the U.S. Environmental Protection Agency (EPA). The DOE also is the agency authorized by state law to implement state water quality programs.

The CWA establishes the National Pollutant Discharge Elimination System (NPDES) permit system to regulate wastewater discharges from point sources to surface waters. "Point sources" are defined generally as discernable, discrete, and confined conveyances from which pollutant discharges can or do occur. The NPDES permits are required for anyone who discharges wastewater to surface waters or who has a significant potential to impact surface waters.

A wastewater discharge permit places limits on the quantity and concentrations of contaminants that may be discharged. Permits may require wastewater treatment or impose operating or other conditions, including monitoring, reporting, and spill prevention planning. The NPDES permits are valid for five years but may be renewed.

In addition to its NPDES permit responsibilities, the DOE administers a state program for discharge of pollutants to state waters. State permits are required for anyone who discharges waste materials from a commercial or industrial operation to ground or to publicly-owned treatment plants. State permits are also required for municipalities that discharge to ground.

The DOE establishes annual fees to collect expenses for issuing and administering state and NPDES discharge permits. Fees must be based on the complexity of permit issuance and compliance. Fees must be established to fully recover but not exceed the program expenses, including permit processing, monitoring, compliance, evaluation, inspection, and program overhead costs.

Summary: The DOE may charge an annual fee to municipalities for domestic wastewater facility permits up to 18 cents per month per residence or the residential equivalent that is contributing to the wastewater system. The DOE may also increase fees up to the fiscal growth factor for fiscal years 2010 and 2011, except for categories of discharges whose fees exceed the costs of managing their permits. The DOE is authorized to adjust the fee schedule annually through December 31, 2011.

The DOE, with the advice of an advisory committee, must evaluate the existing fee structure, including the current inequity of fees relative to permit workload. A report on its findings must be reported to the Legislature in 2010.

Votes on Final Passage:

House	59	38
Senate	28	19

Effective: July 26, 2009

SHB 1414
C 43 L 09

Concerning health care assistants.

By House Committee on Health Care & Wellness (originally sponsored by Representatives Driscoll, Moeller, Hinkle, Cody, Sullivan, Nelson and Ormsby).

House Committee on Health Care & Wellness
House Committee on Health & Human Services Appropriations
Senate Committee on Health & Long-Term Care

Background: Health care assistants are certified persons who assist licensed health care practitioners, such as physicians and physician assistants, registered nurses and advanced registered nurse practitioners, and naturopaths. A licensed health care practitioner may delegate certain functions within the delegator's scope of practice to a health care assistant, including administering skin tests and injections, and performing blood withdrawal and certain other specified functions.

Health care assistants are certified by the health care facility in which the services are performed or by the health care practitioner who delegates functions to the health care assistant. The facility or practitioner must submit to the Department of Health a roster of certified health care assistants. The submittal must include a list of specific medications and diagnostic agents, and the route of administration of each.

Summary: Authority of Health Care Assistants. Qualified health care assistants are granted limited authority to administer certain additional drugs. The administration of these drugs by a health care assistant is restricted to oral, topical, rectal, otic, ophthalmic, or inhaled routes administered pursuant to a written order of a supervising health care practitioner.

A health care practitioner, rather than a health care assistant, must administer a medication if:

- a patient is unable to physically ingest or safely apply a medication independently or with assistance; or
- a patient is unable to indicate an awareness that he or she is taking a medication.

Drugs Acceptable for Administration. Health care assistants may be authorized to administer only the following drugs while a patient is in the care of a health care practitioner:

- over-the-counter drugs: Benadryl, acetaminophen, ibuprofen, aspirin, Neosporin, polysporin, normal saline, colace, kenalog, and hydrocortisone cream; and
- nonover-the-counter unit dose legend drugs: kenalog, hydrocortisone cream, raglan, compazine, zofran, bactroban, albuterol, xopenex, silvadene, gastrointestinal cocktail, fluoride, lmx cream, emla, lat, optic dyes, oral contrast, and oxygen.

Competency Requirements. Health care assistants authorized to administer the specified over-the-counter and legend drugs must demonstrate initial and ongoing competency to administer specific drugs as determined by the health care practitioner.

Expiration of Operative Provisions. The operative provisions that provide health care assistants the limited authority to administer certain drugs expire on July 1, 2013.

Sunrise Review. The Department of Health must conduct a review regarding the regulation and the scope of the practice of medical assistants.

Votes on Final Passage:

House	97	0
Senate	48	0

Effective: July 26, 2009

SHB 1415

C 228 L 09

Providing for the sales of wine at the legislative gift center.

By House Committee on Commerce & Labor (originally sponsored by Representatives Hasegawa, Haler, Hunt, Armstrong, Eddy, Newhouse, Conway, Wood, Williams, Johnson, Chase, Upthegrove, Condotta, Moeller and Ormsby).

House Committee on Commerce & Labor
Senate Committee on Labor, Commerce & Consumer Protection

Background: The Legislative Gift Center (gift center) was created in 2007 and is authorized to sell Washington products, souvenirs, and items bearing the state seal. The Chief Clerk of the House of Representatives and the Secretary of the Senate are charged with governance of the gift center. Profits from gift center sales are deposited into: the Legislative Oral History Account; the Washington State Legacy Project, State Library, and Archives Account; and the Capitol Furnishings Preservation Committee Account.

A liquor license is required to sell wine at retail, and various other liquor laws apply to the sale of wine.

Summary: A legislative finding is made that the production of wine grapes is an important segment of Washington agriculture as evidenced by investments by the state, including programs at Washington State University and the community and technical colleges. The Legislature further finds that the promotion and sale of Washington wine at the gift center is harmonious with the purpose of the gift center.

The gift center may sell wine produced in Washington by a licensed winery for off-premises consumption. Wine may be sold only to individuals 21 years of age or older for personal use, and must be purchased from a licensed wine distributor or manufacturer. The gift center must collect and remit applicable taxes to the Department of Revenue. To select wines for sale, the gift center is directed to consult with the Washington Wine Commission, which must consider award-winning wines in assisting the gift center.

A liquor law exception is created, providing that the liquor laws do not apply to or prevent the gift center from selling wine produced in Washington.

Votes on Final Passage:

House	85	11
Senate	44	2

Effective: July 26, 2009

SHB 1419

C 250 L 09

Revising provisions affecting sexually aggressive youth.

By House Committee on Health & Human Services Appropriations (originally sponsored by Representatives Kagi, Dickerson, Walsh, Roberts, Hunt and Appleton).

House Committee on Early Learning & Children's Services
House Committee on Health & Human Services Appropriations
Senate Committee on Human Services & Corrections

Background: The statutory framework relating to children and their legal ability to commit crimes is:

- Children under age 8 are incapable of committing a crime.
- Children over age 8 and under age 12 are presumed to be incapable of committing a crime, but the presumption may be overcome by proof the child had sufficient capacity to understand the act and knew it was wrong.
- Children age 12 and over are capable of committing a crime, but like adults, evidence may be offered to support a finding that the child did not have sufficient capacity to understand the act and did not know it was wrong.

When a law enforcement agency is investigating a complaint alleging a child has committed a sex offense and the investigation reveals the child is under age 8, the law enforcement agency must refer the case to the Department of Social and Health Services (DSHS) for a Child Protective Services (CPS) investigation. If, however, there is probable cause to believe the child is over age 8 and has committed a sex offense, the agency must refer the case to the local prosecutor for a determination of whether the child may be prosecuted for the offense. For children over age 8 but under age 12, the judge or prosecutor may determine the child cannot be prosecuted because the child is incapable of committing a crime. When such a determination is made on behalf of a child under age 12, and when the prosecutor determines there is probable cause to believe the child engaged in conduct that would constitute a sex offense, the prosecutor must refer the child to CPS as a sexually aggressive youth.

A "sexually aggressive youth" is defined as a child who has been abused and has committed a sexually aggressive act or other violent act of a sexual nature, and who:

- is in the care and custody of the state or a tribe;
- is subject to a dependency proceeding or a tribal child welfare proceeding; or
- has been referred to CPS by law enforcement based on a determination the child cannot be detained in the juvenile justice system based on age or incompetence to stand trial for acts that could be prosecuted as sexual offenses.

Child Protective Services must investigate all referrals from law enforcement regarding a sexually aggressive youth, including referrals relating to children under age 12. The purposes of the CPS investigation are to determine whether:

- the child has been abused or neglected; or
- the child or the child's parents are in need of services or treatment.

The DSHS may offer services and treatment or refer the child and his or her parents to appropriate services and treatment in the community. If the child's parents refuse to accept or fail to obtain appropriate services, and the circumstances indicate the refusal or failure constitutes abuse or neglect, the DSHS may pursue a dependency action.

Laws relating to expenditures of funding appropriated for treatment programs for sexually aggressive youth have been interpreted by some practitioners to limit the access to treatment to only those children and families subject to dependency proceedings.

Summary: A child and his or her parents are declared eligible to receive services from treatment programs for sexually aggressive youth, regardless of whether the child has been found to be dependent or whether the child and family are subject to dependency proceedings.

Protective plans, service and treatment plans, including progress reports, and the child's status as a sexually aggressive youth are confidential and not subject to disclosure by the DSHS. Information sharing with other juvenile justice and care agencies is permitted, but the information remains confidential and is not subject to public disclosure by those agencies.

Votes on Final Passage:

House	96	0
Senate	47	0

Effective: July 26, 2009

SHB 1420

C 505 L 09

Revising real estate seller disclosure requirements.

By House Committee on Commerce & Labor (originally sponsored by Representatives Conway, Condotta, Maxwell, Williams, Chandler, Wood, Hinkle and Kelley).

House Committee on Commerce & Labor
Senate Committee on Financial Institutions, Housing & Insurance

Background: A seller of residential land must provide a buyer with a disclosure statement about the land unless the buyer waives the right to receive it. The disclosure requirement applies to sales of unimproved residential land and improved residential land.

The disclosure forms are specified in statute. The disclosure for unimproved residential land concerns title, water, sewer/septic systems, electrical/gas, flooding, soil stability, environmental, and homeowners' association/common interests. The disclosure for improved residential land concerns title, water, sewer/on-site sewage system, structural, systems and fixtures, homeowners' association/common interests, environmental, and manufactured and mobile homes.

The disclosure statement must be provided within five business days, or as otherwise agreed to, after mutual acceptance of a written purchase agreement between a buyer and a seller. Within three business days of receiving the disclosure statement, the buyer has the right to approve and accept the statement or rescind the agreement for purchase. If the seller fails to provide the statement, the buyer may rescind the transaction until the transfer has closed. If the disclosure statement is delivered late, the buyer's right to rescind expires three days after receipt of the statement.

Transfer to a buyer who expressly waives receipt of the disclosure statement is exempted. However, if the answer to any of the questions in the "Environmental" section would be "yes," the buyer may not waive receipt of that section.

Summary: The definition of "unimproved residential real property" is modified to exclude timber land. A seller must amend the disclosure statement if the seller learns

from a source other than the buyer of additional information or an adverse change that makes the disclosure inaccurate.

Unimproved Residential Real Property Disclosure Statement. Several questions on the disclosure statement are modified in the title, flooding, soil stability, and environmental sections.

Title.

- The question regarding rights-of-way, easements, or access limitations is modified to ask whether they affect the buyer's use of the property rather than "may" affect the buyer's use of the property.
- The question relating to zoning violations, nonconforming uses, or any unusual restrictions on the property is modified to ask whether they affect future construction or remodeling rather than "would" affect future construction or remodeling.
- Rather than asking whether there are any covenants, conditions, or restrictions which affect the property, the question asks whether there are any recorded against the title.

Flooding, Soil Stability, and Environmental.

- Questions related to flooding, standing water, or drainage problems and fill dirt, waste, or other fill material are moved to the "Environmental" section.
- The question related to transmission poles is changed to ask whether there are transmission poles or other electrical utility equipment installed, maintained, or buried on the property that do not provide utility service to the structures on the property.
- The question related to radio towers is modified to ask for information about those that cause interference with cellular telephone reception.

Improved Residential Real Property Disclosure Statement. Several questions on the disclosure statement are modified in the title, water, structural, systems and fixtures, and environmental sections.

Title, Water, Structural, Systems and Fixtures.

- Rather than asking whether there are any covenants, conditions, or restrictions which affect the property, the question asks whether there are any recorded against the title.
- A question is added about defects in the operation of the water system.
- Rather than asking whether the roof has ever leaked, the question asks whether the roof has leaked within the last five years.
- A question is added about whether the property has a wood stove, fireplace insert, pellet stove, or fireplace and whether the wood stove or fireplace inserts are certified as clean burning appliances to improve air quality and public health by the U.S. Environmental Protection Agency.

Environmental.

- A question is modified to ask whether there is any flooding, standing water, or drainage problems that affect the property or access to the property.
- A question is modified to ask about dirt, waste, or other fill material on the property.
- The question related to transmission poles is changed to ask whether there are transmission poles or other electrical utility equipment installed, maintained, or buried on the property that do not provide utility service to the structures on the property.
- The question related to radio towers is modified to ask for information about those that cause interference with cellular telephone reception.

Votes on Final Passage:

House	97	0	
Senate	48	0	(Senate amended)
House			(House refuses to concur)
Senate	49	0	(Senate amended)
House	58	36	(House concurred)

Effective: July 26, 2009

HB 1426

C 251 L 09

Regarding the use of certified mail.

By Representatives Hunt and Condotta.

House Committee on Judiciary
Senate Committee on Judiciary

Background: Certified mail is often used as a way to provide legally required notice. Many court documents may be served on interested parties using certified mail with return receipt requested.

The United States Postal Service (USPS) allows a mailer purchasing return receipt service to choose to receive the return receipt by mail or e-mail. Mailers that receive the return receipt in the mail receive a confirmation postcard with the recipient's actual signature or approved hand-stamp. Mailers that receive the return receipt via e-mail receive a proof of delivery letter arriving as a portable document format attachment that includes an image of the recipient's signature or approved hand-stamp.

Summary: An electronic return receipt delivery confirmation provided by the USPS may be used whenever a statute allows or requires the use of certified mail with a return receipt requested.

Votes on Final Passage:

House	96	1
Senate	46	0

Effective: July 26, 2009

HB 1433
C 393 L 09

Addressing liability for damages to state property resulting from the illegal operation of a vehicle.

By Representatives Liias, Sells, Eddy and Clibborn; by request of Department of Transportation.

House Committee on Transportation
Senate Committee on Transportation

Background: By statute, a person operating a vehicle or moving an object or conveyance on a public highway in an illegal or negligent manner is liable for any damage to a public highway, bridge, or elevated structure that results. When the operator of the vehicle is not the owner of the vehicle, object, or conveyance, the owner and operator are jointly and severally liable for any such damage. The measure of damage determined by the Washington State Department of Transportation (WSDOT) is presumed to be the amount recoverable in any civil action brought under the statute.

Summary: All other state property is added to public highways, bridges, and elevated structures in the context of items for which the WSDOT or other state agencies may seek to recover for damages caused by the operation of a vehicle or the movement of an object or conveyance in an illegal or negligent manner on a public highway.

The state is specifically granted the ability to recover for incident response costs, including traffic control, incurred by the WSDOT.

Votes on Final Passage:

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

Effective: July 26, 2009

SHB 1435
C 154 L 09

Modifying licensing provisions for cigarettes and tobacco products.

By House Committee on Commerce & Labor (originally sponsored by Representatives Condotta and Conway; by request of Liquor Control Board).

House Committee on Commerce & Labor
House Committee on Finance
Senate Committee on Labor, Commerce & Consumer Protection

Background: Persons selling cigarettes or tobacco products (tobacco products other than cigarettes) in this state are required to hold either a wholesaler or retailer cigarette license or a distributor or retailer tobacco products license (for all tobacco products other than cigarettes) through the Department of Licensing's Master License Service. The license fee for cigarette wholesalers or tobacco products distributors is $650 for the first location and $115 for each additional place of business. The license fee for cigarette or tobacco products retailers is $93 for each location. A criminal background check is required for a cigarette wholesaler license and a tobacco distributor license.

The Department of Revenue (Department) is charged with adopting rules regarding the regulation of cigarette and tobacco wholesaler, distributor, and retailer licensees. The Department has the authority to refrain from issuing a license if the Department has reasonable cause to believe that an applicant is willfully withholding information or providing false or misleading information. Cigarette wholesalers are required to affix a stamp, designed and issued by the Department, onto each package of cigarettes for the purposes of identifying whether the cigarette tax levy has been paid for each unit.

The Liquor Control Board (Board) is charged with enforcing the tax on tobacco products provisions. The Board's Tobacco Tax Enforcement Unit was formed in June of 1997 to enforce assessment of unpaid tobacco taxes for state collection by the Department. The Tobacco Tax Enforcement Unit ensures that people who sell tobacco in Washington are properly licensed, have paid the appropriate state taxes, and do not sell tobacco to those under 18 years of age.

Summary: The Liquor Control Board (Board) is given the administrative authority, currently vested in the Department of Revenue, to approve, deny, suspend, or revoke retail, wholesale, or distributor cigarette and tobacco products licenses. A criminal background check is required for a wholesaler, retailer, and distributor licenses. The Board may consider any prior criminal conduct of the applicant, including an administrative violation history record with the Board. If the Board makes an initial decision to deny a license or renewal, or suspend or revoke a license, the applicant may request a hearing under the Administrative Procedure Act.

Cigarette and tobacco licenses must be exhibited in the place of business for which they are issued and in the manner required for the display of a master license.

Votes on Final Passage:

House	96	0
Senate	47	0

Effective: July 26, 2009

HB 1437
C 204 L 09

Authorizing a volunteer chaplain for the department of fish and wildlife.

By Representatives Dammeier, O'Brien, Pearson, Chandler, Miloscia, Haler, Armstrong, Morrell, Green, Kessler, Kristiansen and Smith.

House Committee on Agriculture & Natural Resources
Senate Committee on Natural Resources, Ocean & Recreation

Background: Various departments of the state and of local governments are authorized to use the services of volunteer law enforcement chaplains to provide emotional support and crisis intervention. Law enforcement personnel of police, fire, and corrections departments, as well as medical examiners and coroners, the state patrol, and local law enforcement agencies may use the services of a volunteer chaplain. The emotional support provided by chaplains includes counseling, stress management, and family life counseling.

The Washington Department of Fish and Wildlife (WDFW) employs fish and wildlife officers to enforce the statutory duties and rules of the WDFW. Officers of the WDFW have the same police powers and duties as are vested in sheriffs and peace officers and are authorized to serve and execute warrants.

Summary: The WDFW is authorized to use the services of a volunteer law enforcement chaplain.

Votes on Final Passage:

House	96	1
Senate	46	0

Effective: July 26, 2009

ESHB 1441
C 155 L 09

Concerning the contractual relationships between distributors and producers of malt beverages.

By House Committee on Commerce & Labor (originally sponsored by Representatives Conway, Condotta, Armstrong, White and Eddy).

House Committee on Commerce & Labor
Senate Committee on Labor, Commerce & Consumer Protection

Background: Distributors and suppliers of malt beverages are regulated under both state liquor laws and the Wholesale Distributor/Supplier Equity Agreement Act (Act). The Act regulates the relationship between malt beverage suppliers and distributors. Under the Act, suppliers and distributors are entitled to certain protections which must be incorporated into distributorship agreements. A supplier is any malt beverage importer or manufacturer who produces 50,000 or more barrels annually.

The Act sets forth specific processes for terminating or cancelling agreements and requires compensation when agreements are terminated or cancelled in some circumstances.

Cancellation or Termination of an Agreement. A supplier must give 60 days notice of cancellation or termination to a distributor and give the distributor time to cure any claimed deficiency. The 60-day notice and time to cure requirement does not apply if the termination or cancellation is due to one of several reasons specified, including insolvency, bankruptcy, and liquor license suspension or revocation.

Compensation Requirement. A supplier who terminates an agreement with a distributor must compensate the distributor unless the termination was for: (1) cause; (2) failure to live up to the terms and conditions of the agreement; or (3) one of several reasons specified, which include insolvency, bankruptcy, and liquor license suspension or revocation.

Measure of Compensation. If compensation is due, a distributor is entitled to the laid-in cost of inventory and liquidated damages measured on the fair market price of the business.

Summary: The production threshold for excluding malt liquor manufacturers from the definition of "supplier" subject to the Act is changed from 50,000 barrels annually to 200,000 barrels annually.

Cancellation or Termination of an Agreement. Two additional reasons for cancellation or termination without notice are provided, one which requires compensation and one that does not. A supplier may cancel or terminate an agreement without notice and without compensating the distributor if there is fraudulent conduct in any of the distributor's dealings with the supplier or its products. A supplier may also terminate the agreement without notice if the termination results from a supplier acquiring the right to manufacture or distribute a particular brand and opting to have that brand distributed by a different distributor. In the latter case, compensation is required. Termination, cancellation, or nonrenewal of a distributor's right to distribute a particular brand by a supplier is termination, cancellation, or nonrenewal of the entire agreement of distributorship, regardless of whether the distributor retains the right to distribute other brands for the supplier.

Compensation Requirement. Actions taken by the supplier that require compensation include nonrenewal and cancellation of the agreement as well as termination. Compensation is required unless the agreement was terminated, cancelled, or not renewed for (1) cause; (2) failure to live up to the terms and conditions of the agreement; or (3) insolvency, bankruptcy, liquor license suspension or revocation, fraudulent conduct, or other reason specified in statute. When termination results from a supplier acquiring the right to manufacture or distribute a brand and

electing to have that brand handled by a different distributor, the distribution rights do not transfer until the compensation to be paid has been finally determined.

Measure of Compensation. The successor distributor must compensate the terminated distributor for the fair market value of the right to distribute the brand, less any amount paid by a supplier or other person with respect to the termination. Fair market value is the amount a buyer would pay a seller for the distribution rights and is determined using the date the distribution rights are to be transferred. A formula is set forth for compensation when the distribution rights are divided among two or more successor distributors. If the terminated and successor distributors do not agree on the fair market value, the matter must be resolved by arbitration. Timelines are set forth for an arbitration.

Definitions. Definitions are added for "terminated distributor," "successor distributor," "terminated distributor rights," and "brand."

General. Rather than requiring that specific protections be incorporated into agreements of distributorships, the protections are deemed to be incorporated. If there is a material change in an agreement, the revised agreement is considered to be a new agreement when determining the law applicable to the agreement. A prevailing party in an arbitration other than an arbitration to determine compensation due to a terminated distributor is entitled to reasonable attorneys' fees and costs.

Votes on Final Passage:

House	97	0
Senate	47	0

Effective: July 26, 2009

ESHB 1445

C 522 L 09

Providing benefits to domestic partners under the Washington state patrol retirement system.

By House Committee on Ways & Means (originally sponsored by Representatives Simpson, O'Brien, Van De Wege, Goodman, Sullivan, Hunt, Ormsby, Conway and Santos).

House Committee on Ways & Means
Senate Committee on Transportation

Background: The Washington State Patrol Retirement System (WSPRS) covers all commissioned officers of the Washington State Patrol (WSP). Members of the WSPRS may retire at age 55 or after 25 years of service at any age. There are two tiers of benefits in WSPRS: Plan 1, which was closed on December 31, 2002, and Plan 2, which has covered all new fully commissioned officers of the WSP that received their commissions after that date.

Legislation enacted in 2007 created a state domestic partnership registry at the Office of the Secretary of State (OSOS), and extended certain property, probate, intestacy, and health care powers and rights to state-registered domestic partners.

The WSPRS pays certain retirement and death benefits to the surviving spouses of its members. For the surviving spouses of members of WSPRS Plan 1 that are either married to the member from the date of retirement until death, or for at least two years prior to the member's death, an allowance is paid equal to 50 percent of the average final salary of the member. This survivor allowance is increased by 5 percent for up to two of the member's surviving unmarried children under the age of 18, up to a maximum survivor benefit of 60 percent of final average salary. At retirement, a WSPRS Plan 1 member may also select an actuarially reduced benefit that adds an annual increase of up to 3 percent per year to the survivor benefits payable at death. For the survivors (spouses or others designated by the member) of members of WSPRS Plan 2, optional actuarially-equivalent survivor benefits may be chosen at retirement, in lieu of the member's earned retirement allowance being payable only during the member's life.

Spouses of WSPRS members that die in the line of duty without designating a beneficiary are the recipients of a $150,000 death benefit and in some circumstances a refund of member contributions, which in the absence of a spouse would be paid to the legal representative of a deceased member's estate.

The surviving spouse of a WSPRS member who is killed in the line of duty is eligible to purchase health care benefits from the Public Employees' Benefits Board (PEBB) and receive reimbursement for the cost of participating in the PEBB health insurance plan.

The surviving spouse or children of a member of WSPRS that leaves state employment and dies while serving in the Uniformed Services of the United States may apply to purchase service credit from the Department of Retirement Systems for service credit for the period between the date that the member left service and the date of death.

Summary: "Domestic partners" are defined for purposes of the WSPRS as two adults that have registered as domestic partners according to the requirements of the State Registered Domestic Partnership Act.

Domestic partners are eligible for survivor and death benefits under the same circumstances as spouses from the WSPRS retirement system.

Domestic partners, as well as spouses and children, may apply for service credit for the period between the date that the member left service and the date of death where a member of WSPRS that left state employment died while serving in the Uniformed Services of the United States.

Votes on Final Passage:

House	60	35	
Senate	29	18	(Senate amended)
House	63	35	(House concurred)

Effective: July 26, 2009

HB 1448
C 383 L 09

Granting tribal authorities limited control over speed limits on nonlimited access state highways within tribal reservation boundaries.

By Representatives Hurst, Roach, Simpson, McCoy, Sullivan, Hunt, Goodman, Appleton, Ormsby and Nelson.

House Committee on State Government & Tribal Affairs
Senate Committee on Transportation

Background: Maximum speed limits are established in statute as follows:

- city and town streets, 25 miles per hour;
- county roads, 50 miles per hour; and
- state highways, 60 miles per hour.

The Secretary of Transportation (Secretary) may decrease speed limits on state highways under certain conditions. The Secretary may also increase speeds on any highway up to 70 miles per hour under certain conditions.

The Secretary has sole authority to fix speed limits on limited access state highways including portions that run through a city or town.

Local authorities may change speed limits on highways in their jurisdictions to a speed limit that is safe and reasonable under existing conditions based on engineering and traffic investigations. They may decrease the limit at intersections, increase the limits to a maximum of 60 miles per hour, and decrease the limit to not less than 20 miles per hour. Any altered speed limit is effective when appropriate signs giving notice of the new speed are erected and the change has been approved by the Secretary.

Summary: Tribal authorities may change speed limits on non-limited access state highways within the boundaries of the tribe's reservation under certain conditions. A change to a speed limit must be based on engineering and traffic investigations. Speeds may be decreased at intersections. Speeds may not go above 60 miles per hour or below 20 miles per hour. A change is not effective until it is approved by the Secretary and appropriate signs have been posted giving notice of the change. If the change is for non-limited access state highways that are also part of city streets, the change must also be approved by the local government before it is effective.

Votes on Final Passage:

House	94	0	
Senate	40	5	(Senate amended)
House	95	2	(House concurred)

Effective: July 26, 2009

EHB 1461
C 239 L 09

Regarding options for determining the pay periods for county employees.

By Representatives Bailey, Hunt, Alexander, Hinkle, Haigh, Johnson, Haler, Ericksen, Chandler, Orcutt, Kretz and Kelley.

House Committee on Local Government & Housing
Senate Committee on Government Operations & Elections

Background: Counties may establish biweekly pay periods for county officers and employees. In counties assuming the functions of a metropolitan municipal corporation, compensation must be received no more than 13 days after the end of each pay period. In all other counties, compensation must be received no more than seven days after the end of each pay period.

Additionally, counties with a population of at least 5,000 may establish semi-monthly pay periods. Under this method, counties pay half the monthly salary on the 15th day of each month, and half the salary on the last day of each month. Payment is made not later than half a month after the end of each pay period.

Summary: The legislative authority of any county may adopt a weekly pay period.

The legislative authority of a county using a semi-monthly pay period may adopt a biweekly pay period and pay employees not later than 13 days after the end of each pay period.

Votes on Final Passage:

House	92	0
Senate	46	0

Effective: July 26, 2009

EHB 1464

C 80 L 09

Concerning affordable housing incentive programs.

By Representatives Springer, Ormsby, Orwall, Eddy, Ericks, Nelson, Kagi, Dickerson, Morrell, Wood and Goodman.

House Committee on Local Government & Housing
Senate Committee on Financial Institutions, Housing & Insurance

Background: The Growth Management Act (GMA) is the comprehensive land use planning framework for county and city governments in Washington. Enacted in 1990 and 1991, the GMA establishes numerous requirements for local governments obligated by mandate or choice to fully plan under the GMA (planning jurisdictions) and a reduced number of directives for all other counties and cities.

The GMA directs planning jurisdictions to adopt internally consistent comprehensive land use plans that are generalized, coordinated land use policy statements of the governing body. Comprehensive plans must address specified planning elements, each of which is a subset of a comprehensive plan. The implementation of comprehensive plans occurs through locally adopted development regulations.

The GMA includes planning requirements relating to the use or development of land in urban and rural areas. Among other requirements, counties that fully plan under the GMA must designate urban growth areas (UGAs) or areas within which urban growth must be encouraged and outside of which growth can occur only if it is not urban in nature.

Affordable Housing Incentive Programs - General Provisions. Legislation adopted in authorized planning jurisdictions to enact or expand affordable housing incentive programs (incentive programs or programs) to provide for the development of low-income housing units through development regulations. These programs may include, but are not limited to, provisions pertaining to:

- density bonuses within the UGA;
- height and bulk bonuses;
- fee waivers or exemptions;
- parking reductions;
- expedited permitting, conditioned on the provision of low-income housing units; or
- mixed-use projects.

Jurisdictions may enact or expand incentive programs whether or not the programs impose a tax, fee, or charge on the development or construction of property. Incentive programs may apply to all or part of a jurisdiction, and differing standards may be applied within a jurisdiction. Jurisdictions may also modify incentive programs to meet local needs and may include qualifying provisions or requirements not expressly authorized in statute.

Enacted or expanded incentive programs must satisfy numerous requirements, including:

- requiring incentives or bonuses to provide for the construction of low-income housing units;
- obligating jurisdictions to establish standards for low-income renter or owner occupancy housing, including guidelines that are consistent with local needs, to assist qualifying low-income households;
- requiring jurisdictions to establish, and allowing jurisdictions to adjust, a maximum rent level or sales price for low-income housing units developed under an incentive program;
- requiring low-income housing units to be provided in a range of sizes and to conform to more general provisions pertaining to numbers of bedrooms, distributions of units throughout buildings, and functionality;
- requiring low-income housing units developed under an incentive program to be committed to continuing affordability for no fewer than 50 years; and
- requiring measures to enforce continuing affordability and income standards for low-income units constructed under an incentive program. Jurisdictions, may accept payments in lieu of continuing affordability.

Low-income housing units are encouraged to be located within market-rate housing developments for which a bonus or incentive is provided. Incentive programs may allow units to be located in adjacent buildings and may allow payments of money or property in lieu of providing low-income housing units if the payment equals the approximate cost of developing the same number and quality of housing units that would otherwise be developed. Jurisdictions accepting these payments must use the funds or property to support the development of low-income housing, including support through loans or grants to public or private recipients.

If a developer chooses not to participate in an incentive program, a jurisdiction may not condition, deny, or delay the issuance of a qualifying permit or development approval because of the developer's nonparticipation.

Application of Incentive Programs. Enacted or expanded incentive programs may be applied to address the need for increased residential development. The application of incentive programs must be consistent with local growth management and housing policies and must comply with specific requirements obligating jurisdictions to:

- identify certain land use designations within a geographic area where increased residential development will assist in achieving local growth management and housing policies;
- provide increased residential development capacity through zoning changes, bonus densities, height and bulk increases, parking reductions, or other regulatory changes or incentives; and

- determine that increased residential development capacity or other incentives can be achieved within an identified area, subject to the consideration of other regulatory controls on development.

Jurisdictions may establish a minimum amount of affordable housing that must be provided by all residential developments constructed under revised regulations, subject to incentive program requirements.

Income Requirements. Income requirements are specified for incentive programs. Low-income households, for incentive program occupancy purposes, are defined as follows:

- Rental housing units that are affordable to and occupied by households with an income of 50 percent or less of the county median family income, adjusted for family size.
- Owner occupancy housing units that are affordable to and occupied by households with an income of 80 percent or less of the county median family income, adjusted for family size.

The legislative body of a jurisdiction with an incentive program, may establish higher or lower income levels, subject to public hearing and other requirements. These established higher income levels are considered "low-income" for the purposes of incentive programs.

Summary: Provisions governing affordable housing incentive programs that may be enacted or expanded in jurisdictions planning under the GMA are modified.

Programs may be implemented through development regulations or conditions on rezoning or permit decisions, or both, on one or more of the following types of development:

- residential;
- commercial;
- industrial; or
- mixed-use.

Incentive programs may include, but are not limited to, provisions pertaining to one or more of the following:

- density bonuses within the UGA;
- height and bulk bonuses;
- fee waivers or exemptions;
- parking reductions; or
- expedited permitting.

Several general requirements that enacted or expanded incentive programs must satisfy are modified. Examples include:

- requiring incentives or bonuses to provide for the development, rather than the construction, of low-income housing units;
- specifying that where a developer is utilizing an incentive program to develop market rate housing, and is developing low-income housing to satisfy program requirements, the low-income units must be provided in size ranges that are comparable to units available to other residents and must be generally distributed throughout the development; and
- specifying that different program standards may be applied to different areas within a jurisdiction or to different types of development.

Low-income housing units are encouraged to be located within housing developments for which a bonus or incentive is provided. Incentive programs may allow units to be located in the general area of the development for which a bonus or incentive is provided, rather than in adjacent buildings. Incentive programs may allow money or property payments in lieu of providing low-income housing units if the jurisdiction determines that the payment achieves a result equal to or better than providing the affordable housing on-site and other conditions are met.

Votes on Final Passage:

House	63	32
Senate	26	19

Effective: July 26, 2009

HB 1474

C 158 L 09

Changing border county opportunity program provisions.

By Representatives Orcutt, Wallace, Herrera and Moeller.

House Committee on Higher Education
House Committee on Education Appropriations
Senate Committee on Higher Education & Workforce Development

Background: Washington laws regarding residency specify criteria that must be met before an individual is eligible to pay in-state tuition rates at public institutions of higher education. In most cases, an individual must have lived in Washington for a minimum of one year prior to the first day of the beginning of the academic term for which the individual has registered. Over the years, exceptions to this rule have been made for military personnel, their spouses and dependents, as well as special classes of high school seniors who have met additional qualifying criteria.

Reciprocity agreements allow some Washington students to attend public colleges in other states and pay lower tuition rates, with similar arrangements for out-of-state students coming to Washington's public colleges and universities. Washington has not had a reciprocity agreement with Oregon since the 2000-2001 academic year, at Oregon's request. However, other types of student exchange options are in effect.

Border County Higher Education Opportunity Project. The Washington State University (WSU) Vancouver and Tri-Cities campuses and five Washington community colleges may charge resident tuition rates to students who live in 13 Oregon counties. Resident tuition rates at WSU Vancouver and Tri-Cities are only available to Oregon students who take eight credits or less. In fall 2004 about 90

Oregon students participated in the program at the WSU campuses. In 2003-2004 nearly 600 full-time equivalent Oregon residents took advantage of the program at Washington community colleges.

The 13 Oregon "border counties" are Columbia, Gilliam, Hood River, Multnomah, Clatsop, Clackamas, Morrow, Sherman, Umatilla, Union, Wallowa, Wasco, and Washington.

Tuition Waivers. All community colleges may waive nonresident tuition for out-of-state students under provisions of the "non-specific" tuition waiver. In 2003-2004 more than 2,000 out-of-state students received this waiver at Washington community colleges.

Summary: Columbia Basin Community College, Clark College, Lower Columbia Community College, Gray's Harbor Community College, and Walla Walla Community College may charge resident tuition rates to students who moved to Washington from a "border county" within the last 12 months and had lived in the border county for at least 90 days immediately prior to moving to Washington.

The Tri-Cities and Vancouver branch campuses of Washington State University may charge resident tuition rates to students who moved to Washington from one of nine Oregon border counties provided that the student: (1) moved to Washington within the last twelve months; (2) lived in the border county for at least 90 days immediately prior to moving to Washington; and (3) is enrolled in eight credits or less. The nine eligible Oregon counties include Columbia, Multnomah, Clatsop, Clackamas, Morrow, Umatilla, Union, Wallowa, and Washington.

Votes on Final Passage:

House	97	0
Senate	44	0

Effective: July 26, 2009

HB 1475
C 93 L 09

Requiring state agency rule-making information to be posted on each state agency's web site.

By Representatives Orcutt, Probst, McCune, Eddy, Herrera, Johnson, Short and Kelley.

House Committee on State Government & Tribal Affairs
Senate Committee on Government Operations & Elections

Background: The primary institutional means for providing notice to the public of agencies' rulemaking activities is the Washington Administrative Code published by the Code Reviser in the Washington State Register (Register). The Register is a biweekly publication distributed on the first and third Wednesday of each month. The Register website contains state agencies' pre-proposals, notices of proposed rules, emergency and permanently adopted rules, public meetings, requests for public input, notices of rules review, executive orders of the Governor, court rules, summary of attorney general opinions, juvenile disposition standards, basic filing procedure, agency rulemaking activity, quarterly rulemaking report, state maximum interest rate, closing date calendar, pre-proposal calendar, and a list of designated rules coordinators.

Summary: Each state agency must maintain a website containing the agency's rulemaking information, including the complete text of proposed rules, emergency rules, and permanent rules proposed or adopted within the past 12 months. A direct link to the rulemaking page must be displayed on the agency's homepage. An agency's rulemaking website may contain a direct link to the index page on the Register website that includes the agency's rulemaking activity.

The agency rulemaking website must include the time, date, and place for the required hearing of a proposed rule and procedures and timelines for submitting written comments and supporting data.

Votes on Final Passage:

House	92	0
Senate	44	0

Effective: July 26, 2009

HB 1478
C 159 L 09

Addressing vehicle registrations for deployed military personnel.

By Representatives Orcutt, Takko, McCune, Hurst, Herrera, Campbell, Johnson, Kelley and Dammeier.

House Committee on Transportation
Senate Committee on Transportation

Background: A vehicle's licensing registration year begins at 12:01 a.m. on the date designated by the Department of Licensing (DOL) and ends at 12:01 a.m. on the same date of the next calendar year. If a vehicle license previously issued in this state has expired and is renewed with a different registered owner, a new registration year is deemed to commence upon the date the expired license is renewed so that the renewed license will be useful for an entire 12-month period.

Summary: Deployed military personnel are able to renew their vehicle registrations and have the registration year start on the date that the expired license is renewed so that the renewed license will be useful for an entire 12-month period. To be eligible, the registered owner must: be a member of the United States armed forces; have been stationed outside of Washington under military orders during the prior vehicle registration year; and provide the DOL with a copy of the military orders.

Votes on Final Passage:

House 97 0
Senate 45 0

Effective: July 26, 2009

2SHB 1481
C 459 L 09

Regarding electric vehicles.

By House Committee on Finance (originally sponsored by Representatives Eddy, Crouse, McCoy, Haler, Carlyle, Armstrong, Hunt, White, Dunshee, Priest, Appleton, Orwall, Rolfes, Hudgins, Hinkle, Upthegrove, Clibborn, Morrell, Ormsby, Kenney, Maxwell, Dickerson and Pedersen).

House Committee on Technology, Energy & Communications
House Committee on Finance
Senate Committee on Environment, Water & Energy
Senate Committee on Transportation
Senate Committee on Ways & Means

Background: Electric Vehicles. Electricity can be used as a transportation fuel to power electric vehicles. Electric vehicles are propelled by an electric motor powered by rechargeable battery packs. These vehicles typically have limited energy storage capacity, which must be replenished by plugging the vehicle into an electrical source to recharge the battery.

Electricity or Biofuel Use by State Agencies. By the year 2015, all state agencies and local government subdivisions of the state must satisfy 100 percent of their fuel needs for all vessels, vehicles, and construction equipment from electricity or biofuels. If after 2015 the Department of Community, Trade and Economic Development (DCTED) determines that the 100 percent biofuel use mandate is not practicable, then the DCTED may suspend, delay, or modify the requirement.

State Environmental Policy Act. The State Environmental Policy Act (SEPA) requires local governments and state agencies to prepare an environmental impact statement (EIS) if proposed legislation or other major action may have a probable significant adverse impact on the environment. The responsible official has authority to make the threshold determination as to whether an EIS must be prepared. If it appears a probable significant adverse environmental impact may result, the proposal may be altered or its probable significant adverse impact mitigated. If this cannot be accomplished, an EIS is prepared. The EIS is limited, or scoped, to address only the matters determined to have a probable significant adverse environmental impact.

Summary: Puget Sound Regional Council Study. The Puget Sound Regional Council (PSRC) is required to seek federal or private funding related to planning for electric vehicle infrastructure deployment. These efforts should include:

- development of short-term and long-term plans for how state and local governments may include electric vehicle infrastructure in parking facilities;
- consultations with the State Building Code Council and the Department of Labor and Industries to coordinate state standards to ensure that appropriate electric circuitry may be installed to support electric vehicle infrastructure;
- consultation with the Workforce Development Council and the Higher Education Coordinating Board to ensure the development of educational and training opportunities related to electric vehicles;
- development of an implementation plan for counties over 500,000 in population to achieve 10 percent electric vehicle ready parking by December 31, 2018; and
- development of model ordinances and guidance for local governments related to the siting and installation of electric vehicle infrastructure.

Any plans and recommendations developed by the PSRC must be submitted to the Legislature by December 31, 2010, or as soon as practicable after securing any federal or private funding. Priority will be given to the development of model ordinances and guidance for local governments related to the siting and installation of electric vehicle infrastructure.

Electricity or Biofuel Use by State Agencies. State agencies, to the extent practicable as determined by the Department of Community Trade and Economic Development (DCTED), must achieve 40 percent fuel usage using electricity or biofuel for publicly owned vessels, vehicles, and construction equipment by June 1, 2013.

Charging and Battery Exchange Stations. By December 31, 2015, the state must, to the extent practicable:

- install charging outlets capable of charging electric vehicles in each of the state's fleet parking and maintenance facilities;
- install charging outlets capable of charging electric vehicles in all state-operated highway rest stops; and
- install or lease space for installation of a battery exchange and charging station in appropriate state-operated highway rest stops.

These obligations are subject to the availability of funds appropriated to the Department of Transportation for these activities.

Lease of Public Property. State and local governments may lease public property for electric vehicle infrastructure.

Review Under the State Environmental Policy Act. Battery charging stations and battery exchange stations will not lose their categorically exempt status under the

State Environmental Policy Act (SEPA) as a result of their being parts of a larger proposal under the SEPA rules.

Local Regulation. By July 1, 2010, electric vehicle infrastructure must be allowed under the development regulations of a local jurisdiction if: (1) the jurisdiction is adjacent to Interstate 5 (I-5), Interstate 90 (I-90), Interstate 405 (I-405), or State Route 520 (SR 520) and has a population of over 20,000 in a county with a population of over one million five hundred thousand; (2) the jurisdiction is adjacent to I-5 and is located in a county with a population greater than 600,000; or (3) the jurisdiction is adjacent to I-5 and located in a county with a state capitol within its borders.

By July 1, 2011, or six months after a model ordinance is distributed, whichever is later, all jurisdictions adjacent to I-5, I-90, I-405, or SR 520 must allow electric vehicle infrastructure and battery charging stations under their development regulations as a use in all areas, except those areas zoned for residential, resource use, or critical areas. A jurisdiction may adopt and apply other development regulations that do not have the effect of precluding the siting of electric vehicle infrastructure or battery charging stations in areas where that use is allowed.

Incentive Programs. Cities may adopt incentive programs to encourage retrofitting of existing structures with electric outlets capable of charging electric vehicles.

Tax Incentives. Electric vehicle infrastructure is exempt from leasehold excise tax.

The sale of electric vehicle batteries or the installation of electric vehicle infrastructure is exempt from retail sales and use tax.

Alternative Fuels Corridor Pilot Project. An alternative fuels corridor pilot project is authorized for up to five locations in the state. The Washington State Department of Transportation (WSDOT) may enter into partnership agreements with public and private entities for the use of land and facilities along state routes and within interstate highway rights-of-way.

The pilot project must:

- limit renewable fuel and vehicle technology offerings to those fuels or vehicle technologies with a forecasted demand over the next 15 years that are approved by the WSDOT;
- ensure that the site does not compete with existing retail businesses in the same geographic area for the provision of the same refueling services, recharging technologies, or other retail commercial activities;
- provide existing truck stop operators and truck refueling businesses with a right of first refusal over the offering of refueling services for certain types of trucks within the same geographic area as the pilot project site;
- ensure that any commercial activities at host sites do not materially affect the revenues forecast for vending operations offered by the Department of Services for the Blind; and
- regulate the internal rate of return from the partnership.

The duration of the pilot project is limited to the term of years reasonably necessary for the partnership to recover the cost of capital investments, plus the regulated internal rate of return. The WSDOT is not responsible for providing capital equipment or operating refueling and recharging services.

Votes on Final Passage:

House	71	23	
Senate	35	14	(Senate amended)
House	65	29	(House concurred)

Effective: July 26, 2009

2SHB 1484

PARTIAL VETO

C 354 L 09

Regarding habitat open space.

By House Committee on Capital Budget (originally sponsored by Representatives Van De Wege, Orcutt, Hurst, McCoy and Blake).

House Committee on Agriculture & Natural Resources
House Committee on General Government Appropriations
House Committee on Capital Budget
Senate Committee on Natural Resources, Ocean & Recreation

Background: The Washington Forest Practices Board (Board) was established in 1975 by the Legislature under the state Forest Practices Act. The Board is charged with establishing rules to protect the state's natural resources while maintaining a viable timber industry.

The Board established by rule a Riparian Open Space Program that allows for the acquisition of lands within unconfined avulsing channel migration zones. An "unconfined avulsing stream" experiences abrupt shifts in channel location, creating a complex flood plain characterized by extensive gravel bars, disturbance species of variable age, numerous side channels, wall-based channels, oxbow lakes, and wetland complexes. An "unconfined avulsing channel migration zone" means the area within which the active channel of an unconfined avulsing stream is prone to move and where the movement would result in a potential near-term loss of riparian forest adjacent to the stream. The unconfined avulsing channel migration zone does not include areas permanently restricted from channel movement by a dike or levee.

Qualifying landowners can apply to donate or sell their land and/or timber in designated forest land that exists along migrating stream channels. They can also sell the state permanent conservation easements covering the

timber and/or forest land. Once acquired, these lands may be held and managed by the Department of Natural Resources (DNR), transferred to another state agency, transferred to an appropriate local government agency, or transferred to a private nonprofit nature conservancy organization. The rules must provide for the management of the lands for ecological protection or fisheries enhancement.

The DNR manages certain lands for the benefit of the county where the lands are located. Revenue from these lands is divided between the county and the DNR.

The DNR is authorized to transfer or dispose of certain lands without public auction if the lands are 10 acres or less in size or valued at less than $25,000, or if the transfer is designed to settle trespass issues or take the place of condemnation. Proceeds from any transfers are deposited into the Park Land Trust Revolving Fund and are used to buy replacement lands within the same county.

The DNR also manages the Trust Land Transfer Program (Program), which is typically authorized and funded in each biennial capital budget. The Program is generally used to reposition less productive lands with lands that can sustain a higher timber yield.

Summary: The Board must establish by rule a program for the acquisition of riparian open space and critical habitat for threatened or endangered. At the landowner's option, acquisition must be a conservation easement. Lands eligible for acquisition are forest lands within unconfined channel migration zones or forest lands containing critical habitat for threatened or endangered species as designated by the Board.

An exception for payment of back taxes for designated forest land is created for forest land located in counties with a population greater than 600,000, if the sale or transfer of land is to a governmental entity, nonprofit historic preservation, or nonprofit nature conservancy corporation for the purpose of conserving open space land.

The DNR is authorized to transfer lands to another public agency without an auction if the lands are located in a county with a population of 25,000 or less and if the lands are encumbered with timber harvest deferrals associated with wildlife species listed under the federal Endangered Species Act. To qualify, the timber deferrals in a county must be for a period of 30 years or longer.

Appraisals for the valuable materials located on the lands must be based on the fair market value of the land without consideration of the management or regulatory encumbrances. Any proceeds associated with the valuable materials located on the transferred lands must be distributed between the county where the transferred land is located and the DNR. The proceeds from real property that is transferred or disposed must be solely used to purchase replacement forest land that is actively managed as a working forest within the same county as the property transferred or disposed.

By October 31, 2010, the DNR must report to the Legislature the procedure and timeline and the estimated costs of conducting the transfers from the qualifying counties. The report must assume that transfers will occur through the trust land transfer program and that the transferred lands will become natural resource conservation areas.

Recommendations and estimates in the report must also assume that the land transfer will occur at a specified biennial rate designated to provide sustainable revenues to the affected counties and that the land and timber values will be distributed separately, with timber revenues directed to the county and land revenues use to fund future land purchases.

Votes on Final Passage:

House	97	0	
Senate	46	0	(Senate amended)
House	98	0	(House concurred)

Effective: July 26, 2009

Partial Veto Summary: The Governor's partial veto eliminated the requirement that the Forest Practices Board establish by rule a program for the acquisition of riparian open space and critical habitat for threatened or endangered species.

VETO MESSAGE ON 2SHB 1484

May 6, 2009

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

Ladies and Gentlemen:

I have approved, except for Section 1, Second Substitute House Bill 1484 entitled:

"AN ACT Relating to habitat open space."

I am vetoing Section 1 of this bill, regarding the use of the riparian open space program to protect critical habitat for threatened or endangered species. The language in Section 1 of this bill is identical to language adopted into law when I signed SSB 5401 earlier this session. For this reason, I have vetoed Section 1 of Second Substitute House Bill 1484.

With the exception of Section 1, Second Substitute House Bill 1484 is approved.

Respectfully submitted,

Christine Gregoire

Christine O. Gregoire
Governor

HB 1487

C 220 L 09

Regarding resident student classification.

By Representatives Hunter, Anderson, Kessler, Wallace and Eddy.

House Committee on Higher Education
House Committee on Education Appropriations
Senate Committee on Higher Education & Workforce Development
Senate Committee on Ways & Means

Background: Resident Student. Classification as a resident qualifies a student to receive in-state tuition rates which are lower than nonresident rates. The statutory definition of resident student encompasses several categories of students, including the following:

- a financially independent student who has established a domicile in the state of Washington for one year immediately prior to the first day of class for which the student has registered and has established such domicile in this state for purposes other than educational;
- a dependent student whose parent or parents have maintained a domicile in Washington for one year prior to the start of class;
- a student who has spent at least 75 percent of his or her junior and senior years in a Washington high school and whose parents maintained a domicile in Washington for at least one year in the five-year period preceding the student's enrollment, and who enrolls in college within six months of leaving high school;
- any person who has completed his or her senior year in a Washington high school, received a high school diploma or its equivalent, continuously lived in Washington three years prior to receiving the diploma and continued to live in Washington after receipt, and who provides an affidavit indicating that he or she will file an application to become a permanent resident; and
- a student who is on active military duty in this state or a member of the Washington National Guard, as well as his or her spouse or dependents.

Non-Immigrant Visas. There are many classifications of nonimmigrant visas issued by the U. S. Department of State. The H-1 is a temporary worker classification that applies to: (1) a person in a specialty occupation which requires the theoretical and practical application of a body of specialized knowledge requiring completion of a specific course of higher education; and (2) a fashion model. The classification also applies to temporary workers in some programs administered by the U. S. Department of Defense.

The E-3 classification applies to nationals of Australia who enter the United States to work solely in specialty occupations requiring a bachelor's degree or higher, as well as to their spouses and children.

The L classification applies to intracompany transferees who, within the previous three years, have been employed continuously for one year and who will be employed by a branch, parent, affiliate, or subsidiary of that same employer in a managerial, executive, or specialized knowledge capacity.

Summary: The definition of resident student for purposes of college and university tuition is expanded to include persons who have lived in Washington, primarily for purposes other than educational, for at least one year and hold either an H-1, E-3, or L visa. The spouse or child of a person holding an H-1, E-3, or L visa also qualifies as a resident student if the spouse or child holds lawful nonimmigrant status. Persons who hold or who have previously held such lawful nonimmigrant status pursuant to an H-1, E-3, or L visa and who have filed an application for a green card are also included in this definition of resident student.

Votes on Final Passage:

House	59	38
Senate	31	13

Effective: July 1, 2009

HB 1492

C 148 L 09

Addressing the independent youth housing program.

By Representatives Pedersen, Pettigrew, Haler, Kagi, Walsh, Darneille, Dickerson, Nelson, Moeller, Appleton, Roberts, Ormsby and Kenney.

House Committee on Local Government & Housing
House Committee on General Government Appropriations
Senate Committee on Human Services & Corrections

Background: Overview of the Independent Youth Housing Program. Created by legislation enacted in 2007, the Independent Youth Housing Program (Program) is administered by the Department of Community, Trade and Economic Development (DCTED) for the purpose of providing housing stipends and case management services to youth ages 18 to 23 who have exited the state dependency system. In creating the Program, the Legislature identified two primary goals:

- ensuring that all youth exiting the state dependency system have a decent, appropriate, and affordable home in a healthy, safe environment to prevent these youth from experiencing homelessness; and
- reducing the percentage of young people eligible for state assistance upon exiting the state dependency system.

The Program is integrated and aligned with other state rental assistance and case management programs as well as with all existing services and programs designed to assist foster youth to transition to independent living, including the Independent Living Program and the Transitional Living Program. The Program must be included in the state's Homeless Housing Strategic Plan and any other state or local homeless or affordable housing plans. The Department of Social and Health Services (DSHS) must collaborate with the DCTED to provide information about the Program to dependent youth and to refer dependent youth nearing the age of 18 to the Program. The DSHS

must also provide information to the DCTED regarding the number of youth exiting the state dependency system eligible for state assistance and annually recommend strategies to the Legislature that may help reduce this number.

Eligible Youth. Eligible youth are defined to include those who:

- are at least 18 years of age but less than 23 years;
- were legal dependents of the state in the month before their 18th birthdays;
- have an income that does not exceed 50 percent of the area median income, unless they agree to participate in a matched savings for asset accumulation program (such as an Individual Development Account program); and
- comply with other eligibility requirements.

Priority is given to youth who have been dependents of the state for at least one year.

Program Administration. The DCTED is authorized to contract with organizations to distribute housing stipends and provide housing-related services to youth. Services must include the development of an independent living plan, case management, information and referral services, and education on tenant rights and responsibilities.The DCTED must establish a formula to determine the amounts of the housing stipends. Stipends must be based on factors including age, income, fair market rent for the area, and other housing and living situation variables. Stipends must be used for "independent" housing, which may not include accommodations with, or in premises owned by, former foster parents or biological parents. Stipends are payable to landlords or other housing management.Evaluation and Reporting Requirements.

The DCTED must include a program report in the state's Homeless Housing Strategic Plan and any other relevant state and local plans. These reports must include annual evaluations of subcontractor organizations and specific performance measures.

The Washington State Institute for Public Policy is required to measure the outcomes for youth participating in the Program and issue a final report to the Legislature by December 2010.

Summary: Subcontractors participating in the Program are authorized to use Program monies to pay for professional mental health services, as well as tuition costs for court-ordered classes and programs, provided the subcontractor determines that these expenditures are necessary to assist a participating youth in accessing and maintaining independent housing.

The Program eligibility criterion requiring that the youth must have been a dependent of the state during the *month* before his or her 18th birthday is broadened to include youth who were state dependents at any time during the *four-month* period before his or her 18th birthday.

Security deposits and first and last month's rent stipends provided to a participant in the Program must be payable only to a landlord or a manager of any type of independent housing.

Votes on Final Passage:

House	92	3
Senate	45	0

Effective: July 26, 2009

HB 1498

C 293 L 09

Concerning provisions governing firearms possession by persons who have been involuntarily committed.

By Representatives Hunter, Blake, Kretz, Pedersen, Goodman, Williams, Carlyle, Roberts, McCune, Ericks, White, Hasegawa, Kagi, Nelson and Warnick.

House Committee on Judiciary
Senate Committee on Human Services & Corrections

Background: Both state and federal law regulate the possession and transfer of firearms, including prohibiting certain persons from legally possessing firearms. Generally, a person may not possess a firearm if the person has been convicted of a felony or has been involuntarily committed to a mental health treatment facility for a specific period of time.

Involuntary Commitment. Under Washington's involuntary treatment laws, a person who is gravely disabled or presents a likelihood of serious harm because of a mental disorder may be held in a mental health treatment facility for evaluation for up to 72 hours.

Within that initial 72-hour evaluation period, a professional in charge of the treatment facility may petition the court for a 14-day involuntary treatment commitment of the person. After a hearing and finding by a preponderance of the evidence that the person is gravely disabled or presents a likelihood of serious harm, the court may order the person to be involuntarily committed to a mental health facility for up to 14 days.

At any time during the treatment period, the professional in charge of the treatment facility may petition the court for an additional 90-day commitment, and subsequently for an additional 180-day commitment. There are similar 14-day and 180-day commitment procedures for mental health treatment for minors.

Firearm Laws. In Washington, it is a class C felony offense for a person to possess a firearm if the person has previously been involuntarily committed for mental health treatment under the 90-day or 180-day procedures or under the statutes governing criminal competency and insanity pleas.

Washington does not prohibit the possession of firearms by persons who have been involuntarily committed under the 14-day commitment process. Federal law, however, prohibits the possession of firearms by a person who has been adjudicated as a mental defective or who has

been committed to a mental institution. The terms "adjudicated as a mental defective" and "committed to a mental institution" are defined by federal rule and would include a person involuntarily committed under Washington's 14-day commitment procedure.

When a person is disqualified from possessing a firearm due to a conviction or commitment, the court must forward a copy of the person's driver's license or other identification information to the Department of Licensing (DOL). The statutes do not specify when the court must forward this information.

Restoration of Firearm Possession Rights. A person who is prohibited from possessing a firearm because of an involuntary commitment may petition the court to restore his or her right of possession once the person is discharged. The person must show that the circumstances resulting in the commitment no longer exist and are not reasonably likely to recur and that he or she does not present a danger to self or others. In addition, the person must show that he or she is no longer required to participate in a treatment program or take medication for a condition related to the commitment.

National Instant Criminal Background Check System. The National Instant Criminal Background Check System (NICS) is a criminal history database maintained by the Federal Bureau of Investigation. The NICS is used by firearms dealers and law enforcement to conduct background checks to determine a person's eligibility to purchase a firearm.

There is no requirement that the state forward involuntary commitment data to the federal NICS database. However, the Department of Social and Health Services (DSHS) submits certain mental health records to the NICS. The DSHS records come from a variety of sources, such as state hospital admission data and county-based mental health authorities. The data is submitted only on a monthly basis and does not capture all persons who have had involuntary commitments that disqualify them from possessing firearms.

Summary: The crime of unlawful possession of a firearm in the second degree is amended to include persons who have been involuntarily committed for mental health treatment, either as an adult or juvenile, under the 14-day commitment procedures.

When a person is involuntarily committed for mental health treatment, the court must forward a copy of the person's driver's license or other identification information to the NICS within three judicial days. When a person who was prohibited from possessing a firearm due to involuntary commitment has his or her right to possess a firearm restored, the court must forward notice of the restoration to the DOL, the DSHS, and the NICS within three judicial days.

The standards and processes that apply to the restoration of firearm rights when a person was involuntarily committed are revised. A petition for restoration of firearm rights may be filed in the superior court that ordered the commitment or in the county in which the petitioner resides. The petitioner must show by a preponderance of the evidence that: the petitioner is no longer required to participate in court-ordered treatment; the petitioner has successfully managed the condition related to the commitment; the petitioner does not present a danger to self or the public; and the symptoms related to the commitment are not reasonably likely to recur.

The involuntary commitment statutes are amended to require notice regarding the loss of firearm rights when a person is involuntarily committed. In a 14-day commitment proceeding for an adult or a minor, the court must inform the person both orally and in writing that failure to make a good faith effort to seek voluntary treatment will result in the loss of his or her firearm rights if the person is subsequently involuntarily committed. Notice also must be provided in the petition and during the proceeding of the loss of firearm rights if the person is involuntarily committed.

Votes on Final Passage:

House	97	0
Senate	39	1

Effective: July 26, 2009

SHB 1505

C 252 L 09

Authorizing diversion for sexually exploited juveniles.

By House Committee on Human Services (originally sponsored by Representatives Dickerson, Dammeier, Green, Appleton, Roberts, Carlyle, Morrell, Orwall, Nelson, Johnson and Hasegawa).

House Committee on Human Services
Senate Committee on Human Services & Corrections

Background: After the 2008 release of a report commissioned by the City of Seattle examining juvenile prostitution in King County, an ad hoc committee was created to look at strategies for providing services to juveniles who were involved in prostitution. The committee also examined different models for intervention, such as a prosecution model, where arresting, charging, and holding juveniles in detention is the primary means of linking juveniles to services. Another model is the child abuse model where juveniles involved in prostitution are treated as victims of child abuse rather than offenders. Another alternative was a hybrid approach where charges may be filed against a juvenile and the juvenile is detained. Charges are dismissed in exchange for completing certain conditions. Services for these juveniles are often delivered while they are in custody.

New York recently adopted a statute that treats all juveniles under the age of 15 who were involved in prostitution as "children in need of supervision." Las Vegas has

the prosecutorial model. San Francisco uses the hybrid approach and detains juveniles for their own safety. Boston uses the child abuse model. Although juvenile prostitution remains a crime in Massachusetts, at least one county district attorney indicated that he would not prosecute juveniles for that offense.

The 2008 report regarding juvenile prostitution in King County concluded that the juveniles involved in prostitution needed safe housing and community-based services in a wraparound case management model, which has been used with at-risk youth. A wraparound model requires a team-oriented approach with individualized services, cross-agency teams, and a unified plan for care. King County is developing a program to provide wraparound services for juveniles involved in prostitution.

Juvenile prostitution in Washington is generally subject to the prosecutorial process, although some offenders may complete a diversion in exchange for resolving their cases before any charges are filed. A prosecutor must divert a case rather than file one, even if there are sufficient facts to file a case, if the alleged offense is a misdemeanor or gross misdemeanor violation and it is the offender's first offense. When a case is diverted, the juvenile enters into a "diversion agreement" to complete certain conditions. The diversion agreement may be entered into with another person, a community accountability board, a youth court, or any other entity except a law enforcement official or entity. If an offender has two or more diversion agreements already, the prosecutor must file the charges.

Summary: The prosecutor is allowed to divert a case where a juvenile is alleged to have committed prostitution or prostitution loitering regardless of the juvenile's offender history of previous diversions. In exchange for a diversion, the juvenile must agree to participate in a program that provides wraparound services, including housing, integrated mental health and chemical dependency services, education, and employment training.

The Administrative Office of the Courts must compile data regarding: (1) the number of juveniles whose cases are diverted into the comprehensive program; (2) whether the juveniles complete their diversion agreements; and (3) whether juveniles who have been diverted have been subsequently arrested or committed subsequent offenses. A report must be provided to the Governor and Legislature by November 1, 2010.

These provisions expire on July 1, 2011.

Votes on Final Passage:

House	97	0
Senate	47	0

Effective: July 26, 2009

HB 1506

C 156 L 09

Providing benefits for the survivors of certain firefighters.

By Representatives Conway, Bailey, Chase, Kirby, O'Brien, Kenney, Simpson, Carlyle, Hinkle, Goodman, Williams, Upthegrove, White and Kelley; by request of Select Committee on Pension Policy.

House Committee on Ways & Means
Senate Committee on Ways & Means

Background: The Firemen's Relief and Pensions System – 1955 Act (FRPS) covered firefighters prior to the establishment of the statewide Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) in 1970. It is administered in part by firemen's pension boards in each fire protection district. It is commonly referred to as the Firemen's "prior act," and, unlike the LEOFF, the benefits are not supported by a state fund. Instead, each municipality that has members of the FRPS has a separate pension fund that supports the benefits owed to members and beneficiaries from that municipality. These funds are supported by revenue from 25 percent of the 2 percent state tax on fire insurance policies and up to 45 cents per $1,000 of assessed value from municipalities' property tax levies.

Members and the beneficiaries of members of FRPS who left service after 1970 are generally entitled to the better of the benefits that were offered either by the FRPS or the LEOFF Plan 1. Members of FRPS who left service prior to the creation of the LEOFF Plan 1 in 1970 are entitled to benefits only from the FRPS.

The surviving spouses of members of the FRPS who were killed in the line of duty are entitled to a benefit equal to 50 percent of the deceased member's basic salary at the time of death. The benefit paid to the surviving spouse of a member who left service due to duty-related disability is equal to the monthly pension the member was receiving at the time of the member's death. The surviving spouse of a member who died as a result of a non duty-related disability is equal to one-third of the basic salary the member was receiving at the time of the member's death, plus additional amounts for dependent children.

Summary: The line-of-duty death and disability benefits paid to surviving spouses of members of FRPS do not cease upon the remarriage of the surviving spouse. An optional, actuarially-reduced survivor benefit is created for members of FRPS with spouses that are ineligible for survivor benefits under the plan. A member that chooses the optional survivor benefit will receive a reduced allowance until death and the commencement of survivor benefits, or until the death of the designated spouse, whereupon the survivor benefit reduction is removed from the member’s allowance.

Votes on Final Passage:

House	92	0
Senate	45	0

Effective: July 26, 2009

SHB 1510
C 44 L 09

Regarding disclosure of confidential information on birth certificates.

By House Committee on Health Care & Wellness (originally sponsored by Representatives Ross, Klippert and Johnson).

House Committee on Health Care & Wellness
Senate Committee on Health & Long-Term Care

Background: Vital records are records of birth, death, fetal death, marriage, dissolution, annulment, and legal separation, as maintained under the supervision of the state registrar of vital statistics at the Department of Health (DOH). State law requires that certificates containing vital statistics include, at a minimum, the items recommended by the National Center for Health Statistics (NCHS). The DOH uses a standard live birth form, developed by the NCHS and the U.S. Department of Health and Human Services, as the basis for the state certificate. The nonconfidential, public portion of a birth certificate contains information including: the mother's Social Security number; the county of birth; whether a Social Security number was requested for the child; and the name of the birth facility. Certified copies of birth certificates are available through the state registrar or local deputy registrar.

Under state law, certain sections of a certificate of live birth are not subject to public inspection, nor may they be included on certified copies of the record except upon court order. The Washington State Board of Health (Board) is authorized to require the inclusion within birth certificates of any additional information relative to the birth and manner of delivery as may be deemed necessary for statistical study. In addition to the federally established standard, the Board requires 11 additional pieces of information, each contained within the certificate's confidential section.

A person may request and receive vital records information without personal identifiers (e.g., names and addresses) for research purposes or statistical study where certain conditions are met in order to safeguard the confidentiality of the records. If a person requests birth certificate confidential information with personal identifiers for research purposes, however, he or she must obtain approval through a standing human research review board.

Summary: An individual may review, without a court order, the confidential section of his or her own birth certificate. The person's request is subject to the confirmation of his or her identity in a manner approved by the Washington State Board of Health.

Confidential information provided to the individual who is the subject of the birth certificate must be limited to information on the child and must not include information on the mother or father.

Votes on Final Passage:

House	97	0
Senate	46	0

Effective: July 26, 2009

ESHB 1512
C 160 L 09

Authorizing the funding of rail freight service through grants.

By House Committee on Transportation (originally sponsored by Representatives Haler, Roach and Klippert).

House Committee on Transportation
Senate Committee on Transportation

Background: The Department of Transportation (DOT) administers a rail grant program referred to as the Emergent Freight Rail Assistance program. The DOT periodically issues a call for projects and analyzes grant applications. The 2008 state transportation budget requires the DOT to use a cost-benefit analysis to evaluate project applications in order to assess public benefit.

The DOT's Emergent Freight Rail Assistance program is funded through the Essential Rail Assistance Account. State law stipulates that grants from the Essential Rail Assistance Account provided to privately-owned railroads or for improvements on privately-owned railroads must be given in the form of loans. The Washington Constitution, Article 8, Section 5, prohibits the lending of state credit.

Summary: The DOT is allowed to provide grants from the Essential Rail Assistance Account to privately-owned railroads or for improvements on privately-owned railroads, so long as:

- the property meets the statutory eligibility criteria for state assistance;
- the contractual consideration supporting the grant consists of defined benefits to the public with a value equal to or greater than the grant amount; and
- grant recipients provide the state a contingent interest adequate to ensure that the identified public benefits are realized.

Votes on Final Passage:

House	96	0
Senate	47	0

Effective: July 26, 2009

EHB 1513
C 230 L 09

Allowing municipalities to participate in financing the development of water or sewer facility projects.

By Representative Haler.

House Committee on Local Government & Housing
Senate Committee on Government Operations & Elections

Background: A city, town, county, or water-sewer district is authorized to enter into contracts with developers and other property owners that create reimbursement procedures for the construction and/or funding of infrastructure improvements that exceed the scope or capacity necessary for a particular development or property. Such contracts may pertain to the construction or improvement by developers or property owners of either street projects or water-sewer facilities.

Typically, such contracts involve situations in which a new property development necessitates the construction of additional infrastructure, and the developer agrees to provide infrastructure improvements on a scale sufficient to service the current development project as well as future development that is likely to occur in the area. In return, the contract provides that the developer will receive pro rata reimbursement from other developers or property owners who later benefit from the excess capacity provided by the infrastructure improvements. Such reimbursement agreements are limited to a period of 15 years and are often referred to as "latecomers agreements."

Although state law authorizes municipalities to enter into latecomers agreements in which developers and property owners who finance and/or build excess infrastructure are entitled to pro rata reimbursement for such infrastructure, there is no explicit legal authority for municipalities themselves to participate in the financing of excess infrastructure and thus be eligible for subsequent reimbursement from "latecomers."

Summary: If authorized by ordinance or contract, a municipality may participate in financing the development of local water or sewer facilities development projects. A municipality that contributes to such financing is entitled to the same right to reimbursement through latecomers agreements as are developers and property owners.

If a project is jointly financed by a combination of municipal and private funding sources, each participant in such financing is entitled to pro rata reimbursement in accordance with the provisions of the latecomers agreement.

A municipality seeking reimbursement from an owner of real estate pursuant to a latecomers agreement is limited to the dollar amount authorized by such agreement for the infrastructure or facilities that were constructed under the applicable ordinance, contract, or agreement. This reimbursement limitation does not apply to the collection of fees or charges relating to other expenditures for services or infrastructure that are not subject to the applicable latecomers provisions.

Votes on Final Passage:

House	97	0
Senate	46	0

Effective: July 26, 2009

HB 1515
C 231 L 09

Allowing electronic approval of vital records.

By Representatives Driscoll, Ericksen, Cody, Ross, Morrell, Green, Upthegrove, Kelley, Johnson, Maxwell and Wood; by request of Department of Health.

House Committee on Health Care & Wellness
Senate Committee on Health & Long-Term Care

Background: Death Certificates. When a person dies, a death certificate must be issued. A funeral director, or other person with the right to dispose of human remains, is required to enter personal data on the death certificate and then send it to the physician, physician's assistant, or advanced registered nurse practitioner last in attendance over the deceased, who must then certify the cause of the death and sign the death certificate. If the person died without medical attendance, then the health officer, coroner, or prosecuting attorney with jurisdiction must certify the cause of death and sign the death certificate.

Permits for the Burial, Disinterment, or Removal of Human Remains. No person may dispose of, disinter, remove, or hold for more than three days after death human remains, unless he or she has a permit. A permit is not required for an embalmer or funeral director if the embalmer or funeral director has a certificate of removal registration issued by the Department of Licensing. If the embalmer or funeral director moves human remains from one district to another, he or she must send notice of the removal to the registrar of the district in which the death occurred. Such a removal notice must be signed by the embalmer or funeral director.

Burial-Transit Permits. No person in charge of any premises in which the bodies of deceased persons are permanently disposed may dispose of human remains without a burial-transit permit. The burial-transit permit must be signed by the local registrar and the person in charge of disposing of the remains.

Medical Examiners. A county with a population of over 250,000 may appoint a medical examiner to replace the elected office of coroner. To be a medical examiner, a person must be either certified as forensic pathologist by the American Board of Pathology or a qualified physician eligible to take the American Board of Pathology exam within one year of being appointed.

Electronic Signatures. The Electronic Death Registration System (EDRS) is a web-based system developed by

the Department of Health. Funeral directors and persons authorized to certify cause of death may use the EDRS to electronically file death records. In order to use the system, a person must obtain a digital certificate, which allows the system to verify the person's identity.

Summary: Death Certificates. Persons authorized to certify cause of death may electronically approve a death certificate.

Permits for the Burial, Disinterment, or Removal of Human Remains. An embalmer or a funeral director may electronically approve a removal notice.

Burial-Transit Permits. A local registrar and a person in charge of disposing of human remains may electronically approve a burial-transit permit.

Medical Examiners. Medical examiners are explicitly granted the same authority as coroners in statutes dealing with death certificates.

Electronic Approval. For purposes of death records, "electronic approval" or "electronically approve" means approving the content of an electronically filed vital record through processes provided by the Department of Health. The electronic approval process must be consistent with policies, standards, and procedures developed by the Information Services Board.

Votes on Final Passage:

House	92	0
Senate	47	0

Effective: July 26, 2009

ESHB 1516

C 355 L 09

Regarding the recovery of gear used in the coastal Dungeness crab fishery.

By House Committee on Agriculture & Natural Resources (originally sponsored by Representatives Blake and Kretz).

House Committee on Agriculture & Natural Resources
Senate Committee on Natural Resources, Ocean & Recreation

Background: The Coastal Commercial Dungeness Crab Fishery. The coastal commercial Dungeness crab fishery (Fishery) has operated in Washington's coastal waters for more than 60 years, with 225 coastal Dungeness crab licenses issued under a limited license program. Of the 225 issued licenses, approximately 200 have been actively fished during recent seasons. At the beginning of each commercial season in December or January, approximately 90,000 crab pots are deployed, and the majority of crabs are harvested in the first four to five months of the nine-month season.

In order to engage in commercial fishing in Washington, an individual is required to have the appropriate commercial fishing license or permit for the particular fishery in question. Currently, it is unlawful for a person to possess or use crab gear belonging to another person. In addition, an owner or operator of commercial shellfish gear is required to mark the gear in order to lawfully leave it unattended in waters of the state.

Derelict Gear. The Washington Department of Fish and Wildlife (WDFW) maintains a database of known derelict fishing gear, including the type of gear and its location. Derelict fishing gear includes lost or abandoned fishing nets, fishing lines, crab pots, shrimp pots, and other commercial and recreational fishing equipment, but does not include lost or abandoned vessels. An individual who loses or abandons commercial fishing gear in waters of the state is encouraged, but not required, to report the location of the loss and type of gear lost to the WDFW within 48 hours of the loss.

Summary: The WDFW is directed to issue a crab pot removal permit as part of a Coastal Commercial Dungeness Crab Pot Removal Program (Program) that allows participants in the Fishery to remove crab pots from coastal marine waters beginning 15 days after the close of the primary harvest season, regardless of whether the crab pot was originally set by the participant or not.

In cooperation with individuals with a current commercial Dungeness crab-coastal license, the WDFW may expand the Program to areas closed to commercial Dungeness crab harvest prior to the end of the primary harvest season.

The unlawful use of a crab pot removal permit is a misdemeanor. Individuals participating in the Program are exempt from applicable lost and found property laws.

In addition, the WDFW may exempt certain crab pots from the Program, restrict crab pot removal activities to specific geographic areas, and adopt rules related to the Program.

Votes on Final Passage:

House	95	0	
Senate	49	0	(Senate amended)
House	98	0	(House concurred)

Effective: July 26, 2009

HB 1517

C 325 L 09

Changing requirements for the restoration of the right to vote for people convicted of felonies.

By Representatives Darneille, Green, Dickerson, Goodman, Ormsby, Roberts, Flannigan, Pedersen, Appleton, Upthegrove, Simpson, Hasegawa, Chase, Liias, Miloscia, Kagi, Hudgins, Hunt, Santos, Wood, Moeller, Williams, Kenney, Carlyle, Nelson and Quall.

House Committee on State Government & Tribal Affairs
Senate Committee on Government Operations & Elections

Background: The Washington Constitution prohibits persons convicted of an "infamous crime" from voting unless his or her civil rights are restored. "Infamous crime" is defined as a crime punishable by death or imprisonment in a state correctional facility.

A county auditor must cancel a person's voter registration upon receiving official notice of that person's conviction from a state or federal court. The Secretary of State (SOS), in conjunction with appropriate state agencies, arranges for a quarterly comparison of a list of known felons with the statewide voter registration list. If a match is found, the SOS or county auditor suspends the voter registration and sends notice of the proposed cancellation to the person's last known registration address. If the person does not respond within 30 days, the registration is cancelled.

A criminal sentence pursuant to a felony conviction may include: a term of incarceration; community custody; an obligation to pay legal financial obligations (LFO), or a combination of incarceration, community custody, and LFO. Legal financial obligations can include victim restitution, crime victims' compensation fees, costs of defense, court appointed attorneys fees, and fines.

If a person completes all the requirements of his or her sentence while under the supervision of the Department of Corrections (DOC), the DOC must notify the sentencing court. If the person completes all the requirements of his or her sentence, except payments of the LFO, the DOC must notify the county clerk. Once the person has completed payment of his or her LFO, the county clerk must then notify the sentencing court. When the court receives adequate notification that the offender's sentence has been completed, it must issue the person a certificate of discharge, which restores most of the person's civil rights, including the right to vote.

Summary: For persons convicted of a felony in a Washington court, the right to vote is restored provisionally so long as the person is not under the authority of the DOC. A person is "under the authority of the DOC" if the person is serving a sentence of confinement in the custody of the DOC, or is subject to community custody, community placement, or community supervision.

For persons convicted of a felony in a federal court or any state court other than a Washington court, the right to vote is fully restored so long as he or she is no longer incarcerated.

Although the right to vote is restored, a person convicted of a felony must still re-register to vote with the SOS or the county auditor.

The provisional right to vote may be revoked by the sentencing court if the court finds that the person has willfully failed to comply with the order to pay his or her legal financial obligations (LFO). If the person has failed to make three LFO payments in a twelve-month period and the county clerk or restitution recipient requests, the prosecutor must seek the revocation of the provisional restoration of voting rights from the court. This revocation remains in effect until the person whose provisional right to vote has been revoked demonstrates to the court he or she has made a good faith effort to pay his or her LFO. The county clerk shall enter into a database maintained by the Administrator for the Courts the names of all persons whose provisional voting rights have been revoked and update the database for any person whose voting rights are permanently restored.

The right to vote is permanently restored if the person meets the current statutory requirements for restoration of voting rights for each felony conviction.

At least twice a year, the SOS must compare the list of registered voters to a list of felons who are not eligible to vote due to the fact that the felon is still incarcerated, is under the authority of the DOC, or has had his or her provisional right to vote revoked by a court. To the extent possible, the SOS must time the comparison to allow notice and cancellation of voting rights for ineligible voters prior to a primary or general election.

Votes on Final Passage:

House	53	43	
Senate	29	19	(Senate amended)
House	52	44	(House concurred)

Effective: July 26, 2009

SHB 1518
FULL VETO

Regarding prohibited practices in accountancy.

By House Committee on Commerce & Labor (originally sponsored by Representatives Conway, Condotta, Green, Kelley and Wood; by request of State Board of Accountancy).

House Committee on Commerce & Labor
Senate Committee on Labor, Commerce & Consumer Protection

Background: The Public Accountancy Act governs the practice of accounting in the state. An accounting firm with an office in the state must be licensed to use the title "CPA" or perform attest or compilation services. It is a prohibited practice for a firm with an office in the state to practice "public accounting" without a license. "Practice of public accounting" includes consulting services and preparation of tax returns by a licensee.

A license is not required for bookkeeping and preparation of tax returns under certain conditions.

Summary: The prohibited practices for an accounting firm with an office in the state are aligned with the licensing requirement. It is a prohibited practice for an accounting firm with an office in this state to perform or offer to

perform attest or compilation services or use the title "CPA" without a license. The prohibition does not limit the services permitted by persons not required to be licensed.

Votes on Final Passage:

House	97	0
Senate	47	0

VETO MESSAGE ON SHB 1518

April 21, 2009

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

Ladies and Gentlemen:

I am returning herewith, without my approval, Substitute House Bill 1518 entitled:

"AN ACT Relating to prohibited practices in accountancy."

This bill is identical to Substitute Senate Bill 5434 which I signed on April 16, 2009. Because the provisions of that identical bill are already law, I am vetoing Substitute House Bill 1518 to avoid duplication and confusion.

For this reason I have vetoed Substitute House Bill 1518 in its entirety.

Respectfully submitted,

Christine O. Gregoire
Governor

2SHB 1522

C 285 L 09

Regarding repair and reuse of electronic products by registered collectors.

By House Committee on General Government Appropriations (originally sponsored by Representatives Hudgins, Dunshee, Hunt, Hasegawa, Williams and Chase).

House Committee on Environmental Health
House Committee on General Government Appropriations
Senate Committee on Environment, Water & Energy

Background: Beginning in 2009 a program was implemented that provides free recycling of computers, monitors, laptops, and televisions for households, charities, small businesses, school districts, and small governments. The recycling program is funded by manufacturers of these products. All manufacturers participate in the standard recycling program under the Washington Materials Management and Financing Authority. Products may not be sold in Washington unless the manufacturer participates in an approved plan.

The Department of Ecology (DOE) adopted rules to implement the plan and set performance standards for those who collect, transport, and process products covered by the plan.

Under the rule, collectors who participate in the plan must be registered as collectors and they must submit what they collect under the plan for recycling. They are compensated for products they collect and submit for recycling. Collectors may take fully functional products and components for reuse rather than recycling. If products are taken for reuse, collectors may not receive compensation for them under the plan. This provision of the rule has been interpreted to exclude repair of a unit that would make it available for reuse.

Summary: Collectors under a recycling plan must be registered and must submit the products they receive to the plan except for fully functional products. Products in working order may be sold or donated for reuse.

Computers that require repair may be refurbished by a registered collector at the collector's place of business. A registered collector may use parts taken from products collected under the plan but the remaining parts must be recycled under the plan. Repair may include new parts or used parts from computers they collect on a part-for-part exchange.

Collectors may not be compensated by the plan for products they take for reuse. They must maintain records of the sales and donations of reused computers for three years.

Collectors must display notice at the point of collection that computers may be repaired and resold or donated rather than recycled.

The Washington Materials Management and Financing Authority, another authorized party, or the Department of Ecology may conduct site visits to registered collectors to ensure that computers taken for repair and reuse comply with the requirements of the electronic product recycling law.

Votes on Final Passage:

House	96	0
Senate	47	0

Effective: July 26, 2009

HB 1527

FULL VETO

Concerning medicaid payment rates for boarding homes.

By Representatives Kessler, Rolfes, Williams and Santos.

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

Background: The Department of Social and Health Services (Department) establishes the daily Medicaid payment rates for clients assessed using the Comprehensive Assessment Reporting Evaluation (CARE) tool, and that reside in Adult Family Homes (AFH) and boarding homes contracted to provide Assisted Living (AL), Adult Residential Care (ARC), and Enhanced Adult Residential Care

(EARC) services. For contracted AFH and boarding homes contracted to provide AL, ARC, and EARC services, the Department pays the daily rates for care of a Medicaid resident that are adjusted for three groups of counties. There is one set of rates for facilities in King County, a second set of rates for facilities in metropolitan counties including: Benton, Clark, Franklin, Island, Kitsap, Pierce, Snohomish, Spokane, Thurston, Whatcom, and Yakima counties; and a third set of rates for facilities in nonmetropolitan counties including: Adams, Asotin, Chelan, Clallam, Columbia, Cowlitz, Douglas, Ferry, Garfield, Grant, Grays Harbor, Jefferson, Kittitas, Klickitat, Lewis, Lincoln, Mason, Okanogan, Pacific, Pend Orielle, San Juan, Skagit, Skamania, Stevens, Wahkiakum, Walla Walla, and Whitman.

The Department sets the daily Medicaid payment rate for these clients in the Washington Administrative Code. The Administrative Procedures Act, chapter 34.05 RCW, requires the Department to go through the rule-making process, with public notice, meetings, and hearings when the daily Medicaid rates for these clients are set.

Summary: The Department of Social and Health Services is required to hold at least one public hearing with at least 30 days notice when it plans to implement an upward or downward adjustment to the daily Medicaid payment rate for consumers who are assessed using the comprehensive assessment reporting evaluation tool and who reside in boarding homes.

Votes on Final Passage:

House	97	0	
Senate	44	0	(Senate Amended)
House			(House Refuses to Concur)
Senate	48	0	(Senate Receded)

VETO MESSAGE ON HB 1527

May 18, 2009

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

I am returning, without my approval, House Bill 1527 entitled:
"AN ACT Relating to Medicaid payment rates for boarding homes."

This bill requires that prior to adjusting boarding home Medicaid rates, the Department of Social and Health Services (Department) must convene at least one public hearing to inform boarding home providers how the adjustments were calculated and to review all factors considered in implementing the adjustments.

With such a hearing already required under the Administrative Procedures Act, this bill would lead to confusion, unnecessary duplication, and additional costs. There are better ways for the Department to improve communication regarding the boarding home reimbursement system, and I have directed them to undertake such communication efforts in lieu of placing this requirement in statute.

For this reason, I have vetoed House Bill 1527 in its entirety.

Respectfully submitted,

Christine O. Gregoire
Governor

SHB 1529
C 326 L 09

Concerning telemedicine.

By House Committee on Health Care & Wellness (originally sponsored by Representatives Seaquist, Hinkle, Morrell, Bailey, Moeller, Clibborn, Green and Cody).

House Committee on Health Care & Wellness
House Committee on Health & Human Services Appropriations
Senate Committee on Health & Long-Term Care

Background: Telemedicine and telehealth are terms that encompass a range of evolving technologies capable of transmitting medical information between patients and health care practitioners as well as related applications that enable remote medical procedures or examinations. The terms telemedicine and telehealth are often used in an interchangeable fashion; for the purposes of Medicaid they refer to different health care applications.

- *Telemedicine* is the use of medical information exchanged from one site to another via electronic communications to improve a patient's health.
- *Telehealth (or telemonitoring*) is the use of telecommunications and information technology to provide access to health assessment, diagnosis, intervention, consultation, supervision, and information across distance.

For the purposes of the federal Medicaid statute, telemedicine is viewed as a cost-effective alternative to traditional face-to-face avenues of providing medical care that states may choose to cover. Telemedicine is not recognized by the Medicaid statute as a distinct service.

One growing area of telemedicine and telehealth, used in the home care setting, enables providers to communicate directly with a patient in his or her residence. In this context, a site-based apparatus transmits information about vital signs and disease progression to an off-site provider. The content of the communication may include blood pressure measurements for hypertensive patients, blood sugar levels for diabetics, or weight checks for patients with cardiopulmonary disease. Devices designed to stay in a patient's home may prompt the patient to take medications or may require the patient to answer questions about his or her quality of sleep and intensity of pain. According to the Centers for Medicare and Medicaid Services, such arrangements augment the efficiency with which care is provided to homebound and chronically ill

elderly persons by decreasing the need for providers to perform home visits. This efficiency aspect is especially true for patients living in rural areas where the geographic separation from providers often frustrates access to care.

State Medicaid will reimburse for physician consultations that use interactive video teleconferencing, but the patient must be present and participating in the telehealth visit. No reimbursement is available for home health monitoring. Additionally, only fee-for-service enrollees may be reimbursed for telehealth services. Reimbursement rates are the same as for services that are delivered face-to-face.

Summary: Any licensed home health agency that is eligible for reimbursement under the state's medical assistance programs may be reimbursed for home health services delivered through telemedicine. In-person contact between a home health care registered nurse and a patient is not required if the services are otherwise eligible for reimbursement as a medically necessary skilled home health nursing visit under the program. However, the use of telemedicine is not intended to replace nurse visits when necessary.

The Department of Social and Health Services (DSHS) in consultation with home health care service providers must develop reimbursement rules and must define the requirements that must be met for a reimbursable skilled nursing visit when services are rendered without a face-to-face visit and are assisted by telemedicine.

The DSHS must establish a reimbursement rate for qualifying skilled home health nursing services delivered with the assistance of telemedicine. Providers will not be reimbursed for purchasing or leasing telemedicine equipment.

Telemedicine means the use of telemonitoring to enhance the delivery of certain home medical services through:

- the provision of certain education related to health care services using audio, video, or data communication instead of a face-to-face visit; or
- the collection of clinical data – including, but not limited to weight, blood pressure, pulse, respirations, blood glucose, and pulse oximetry – and the transmission of such data between a patient at a distant location and the home health provider through electronic processing technologies.

Votes on Final Passage:

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

Effective: July 26, 2009

EHB 1530

C 334 L 09

Creating the guaranteed asset protection waiver model act.

By Representatives Kirby and Bailey.

House Committee on Financial Institutions & Insurance
Senate Committee on Financial Institutions, Housing & Insurance

Background: The Insurance Commissioner (Commissioner) regulates insurance in this state. This includes oversight of rates, forms, financial conditions, claims practices, and other matters related to the business of insurance.

When a product is sold, it is generally insured for the replacement value. If a product is financed, a "gap" between the financing and the replacement value of the product may occur at some point in time. In other words, a consumer may have a greater unpaid balance on the product than the insured value of the product. If the product is destroyed, the owner may recover an insufficient amount of insurance proceeds to fully pay off the borrowed amount. Insurers offer coverage for this "gap." Some financial institutions, retailers, auto dealers and other merchants offer a contractual waiver to consumers.

Retail installment contracts are regulated by state law. These are transactions between a particular retailer and a consumer, such as a department store or automobile dealer installment contracts. State law generally requires that retail installment contracts provide certain disclosures, describes the contents of an installment contract, and prohibits certain practices related to installment contracts. Federal Truth in Lending Act provisions also apply to retail installment contracts.

Summary: A number of definitions are created. "Administrator" is defined as a person, other than an insurer or creditor, that performs administrative or operational functions under a guaranteed asset protection waiver program. "Guaranteed asset protection waiver" (waiver) is defined as a contractual agreement where a creditor agrees for a separate charge to cancel or waive all or part of amounts due on a borrower's finance agreement in the event of a total physical damage loss or unrecovered theft of the motor vehicle.

An administrator, an insurer, or a lender who does not use an administrator may not offer or sell, or hold itself out as being able to offer or sell, a waiver in this state unless it is registered by the Commissioner. Retail sellers of motor vehicles and insurers or lenders that are already licensed or authorized to transact business in this state are exempt from registration. A federal- or state-chartered bank is exempt from these provisions but may choose to participate. Retail sellers of motor vehicles are not required to be registered if they transfer 85 percent of their waiver agreements within 30 days and transfer all waiver agreements within 45 days.

Registration. An application for registration must include:
- the applicant's name, address, and telephone number;
- the identities of the applicant's executive officers or other officers directly responsible for the waiver business;
- an application fee of $250; and
- a copy of the waiver addendums the applicant intends to offer in this state. This is filed with the Commissioner for informational purposes only;
- a list of unregistered marketers of waivers on which the applicant will be the obligor; and
- any additional information required by the Commissioner.

Once registered, a person or entity must report any changes in registration information.

Waivers. A waiver must:
- state the obligation of the insurer to reimburse or pay to the creditor any sums the creditor is legally obligated to waive under the waiver agreements;
- cover any subsequent assignee upon the assignment, sale, or transfer of the finance agreement;
- provide a minimum "free look" period of 30 days. A waiver agreement may be cancellable or noncancellable after the "free look" period;
- provide a full refund of the purchase price if no benefits have been provided and the waiver is cancelled in the "free look" period. If benefits have been provided, the borrower may receive a full or partial refund; and
- provide for a refund of any unearned portion of the purchase price if the borrower makes a written request for a refund within 90 days of termination of the finance agreement. Any cancellation refund may be applied by the creditor as a reduction of the amount owed under the finance agreement if the finance agreement has not been paid in full.

Waivers may be sold for a single payment or may be offered with a monthly or periodic payment option. The extension of credit, the terms of the credit, or the terms of the related motor vehicle sale or lease may be not conditioned upon the purchase of the waiver. False or deceptive advertising is prohibited. Unfairly discrimination by a person or entity in the business of making waivers is prohibited.

Disclosure. Guaranteed asset protection waivers must disclose:
- the name and address of the initial creditor and the borrower at the time of sale, and the identity of any administrator if different from the creditor;
- that the waiver is not credit insurance;
- the purchase price and the terms of the waiver;
- information regarding cancellation within a "free look" period and possible refunds;
- any procedure the borrower must follow to obtain waiver benefits;
- any conditions or procedures to cancel a waiver and receive any refund if the waiver is cancellable after the "free look" period;
- the method for calculation of any refund; and
- that the extension of credit, the terms of the credit, or the terms of the related motor vehicle sale or lease, may be not conditioned upon a waiver purchase.

Insurance. Insurance policies insuring waivers must:
- state the obligation of the insurer to reimburse or pay to the creditor any sums the creditor is legally obligated to waive under the waiver agreements;
- cover any subsequent assignee upon the assignment, sale, or transfer of the finance agreement; and
- remain in effect unless canceled or terminated in compliance with applicable state insurance laws.

Enforcement. The Commissioner may take action to enforce this chapter. After notice and the opportunity for a hearing, the Commissioner may:
- suspend, revoke, or refuse to issue a license; and
- impose a penalty of up to $2,000 per violation and up to an aggregate of $10,000 for all similar violations.

A person who sells a waiver without registering with the commissioner:
- is subject to a $25,000 penalty;
- is personally liable for performance and the borrower may void the transaction; and
- is guilty of a Class B felony if the person is knowingly committing the violation.

The disclosure and enforcement provisions of this act are not applicable to a guaranteed asset protection waiver offered in connection with a lease or retail installment sale associated with a commercial transaction.

Account. The Guaranteed Asset Protection Waiver Account (Account) is created in the custody of the State Treasurer. The fees and fines collected under this act must be deposited into the Account. Expenditures from the Account may be used only for the costs of enforcing this act. Only the Commissioner or the Commissioner's designee may authorize expenditures from the Account.

Rules. The Commissioner may adopt rules to implement this act.

Implementation. This act applies to guaranteed asset protection waiver agreements entered into on or after January 1, 2010.

Votes on Final Passage:

House	96	0	
Senate	41	2	(Senate amended)
House	97	0	(House concurred)

Effective: July 26, 2009

SHB 1532
C 253 L 09

Authorizing water-sewer districts to construct, condemn and purchase, add to, maintain, and operate systems for reclaimed water.

By House Committee on Local Government & Housing (originally sponsored by Representatives Rolfes, Chandler, Seaquist, Johnson, Upthegrove, Blake and Miloscia).

House Committee on Local Government & Housing
Senate Committee on Environment, Water & Energy

Background: Overview of Water-Sewer Districts. Water districts are units of local government initially authorized in 1913 to provide potable water facilities, sanitary sewers, drainage facilities, and street lighting. Sewer districts are units of local government initially authorized in 1941 to provide sanitary sewers, drainage facilities, and potable water facilities.

Legislation enacted in 1996 and effective July 1, 1997, consolidated water district laws with sewer district laws and made a number of technical changes to these laws. Among other changes, the term "sewer system," which had been defined to include both sanitary sewers and drainage systems, was altered to apply only to sanitary sewer systems, and separate provisions were added for drainage systems.

Water-sewer district (district) powers include the authority to purchase, construct, maintain, and supply waterworks to furnish water to inhabitants within and outside of the district, and to develop and operate systems of sewers and drainage. In addition, a district has broad authority to create facilities, systems, and programs for the collection, interception, treatment, and disposal of wastewater, and for the control of pollution from such wastewater.

Before implementing plans for the development of facilities or incurring any indebtedness, a district must adopt a general comprehensive plan for the types of services it proposes to provide. Such general comprehensive plans must be consistent with specified requirements.

Regulation of Reclaimed Water Use. The Department of Ecology (DOE) and the Department of Health (DOH) are responsible for coordinating a joint effort to regulate the creation and use of reclaimed water in accordance with specified goals, including:

- the development of facilities to provide reclaimed water to replace potable water in applications that do not require potable water;
- supplementing existing surface and groundwater supplies; and
- assisting in meeting the future water needs of the state.

"Reclaimed water" is defined as effluent derived in any part from sewage from a wastewater treatment system that has been sufficiently treated so as to make it suitable for a beneficial use and is therefore no longer categorized as wastewater.

The DOE and the DOH are granted broad authority, including rule-making, to establish standards, procedures, and guidelines for all aspects of reclaimed water use.

Water-Sewer Services Within Overlapping Jurisdictions. Except upon approval of both districts by resolution, a district may not provide a service within an area in which that service is available from another district, or within an area in which that service is planned to be made available under an effective comprehensive plan of another district.

Summary: Districts are granted explicit authority to develop and operate systems of water reclamation for the purpose of furnishing the district with reclaimed water for all legally authorized uses. A district may also provide reclaimed water services to persons outside the district. This authority includes the power to fix rates and charges for all water reclamation services. The exercise of this authority must be consistent with the regulations promulgated by the DOE and the DOH regarding the creation and use of reclaimed water.

A general comprehensive plan for development of a water reclamation system must include the following components:

- a plan for the acquisition of the necessary lands and easements;
- provisions for the construction and installation of the requisite infrastructure; and
- provisions for the financing of the project.

Votes on Final Passage:

House	92	0
Senate	36	9

Effective: July 26, 2009

HB 1536
C 94 L 09

Concerning permits for and advertising by household goods carriers.

By Representatives Clibborn, Roach, Eddy, Morris and Simpson; by request of Utilities & Transportation Commission.

House Committee on Transportation
Senate Committee on Transportation

Background: The Washington Utilities and Transportation Commission (UTC) regulates several types of transportation companies, including household goods movers, who are required to obtain a permit from the UTC before operating. All of these regulated transportation companies are subject to a series of public safety and consumer protection requirements, including:

- obtaining and maintaining liability and cargo insurance;
- providing information to consumers regarding services and pricing;
- charging only the proper rates for services rendered;
- conducting background checks of potential employees' driving records;
- maintaining a drug and alcohol testing program for all employees; and
- maintaining specific vehicle safety levels.

The UTC's employees conduct safety and consumer protection audits of permitted companies to ensure statutory requirements are met. The UTC is also empowered to impose penalties for a company's failure to comply with these requirements.

Summary: The definition of household goods carrier is expanded to include carriers who advertise, solicit, offer, or enter into agreements to transport household goods by motor vehicle in exchange for compensation.

Current exemptions from regulation are eliminated for household goods carriers that operate within cities with populations of less than 30,000 or between two contiguous cities with populations of less than 30,000.

A violation is created for engaging in or attempting to engage in the business of transporting household goods without a permit. This violation includes advertising, soliciting, offering, or entering into an agreement regarding the transportation of used household goods. The penalty for a violation is up to $5,000 for each occurrence of operating or advertising without a permit and up to $10,000 for each violation of a cease and desist order.

Household goods carriers are required to provide a physical address and telephone number in all advertising and correspondence.

Carriers whose operating authority has been cancelled by the UTC are required to notify customers and provide proof of such notice to the UTC.

Votes on Final Passage:

House	93	2
Senate	41	3

Effective: July 26, 2009

HB 1548

C 205 L 09

Addressing interruptive military service credit within plans 2 and 3 of the public employees' retirement system, plans 2 and 3 of the school employees' retirement system, plans 2 and 3 of the teachers' retirement system, plan 2 of the law enforcement officers' and firefighters' retirement system, plan 2 of the Washington state patrol retirement system, and the public safety employees' retirement system.

By Representatives Bailey, Conway, Seaquist, Crouse, Kenney, Kelley, Simpson, Morrell and Ormsby; by request of Select Committee on Pension Policy and LEOFF Plan 2 Retirement Board.

House Committee on Ways & Means
Senate Committee on Ways & Means

Background: A member of the Law Enforcement Officers' and Fire Fighters' Retirement System Plan 2 (LEOFF 2), Public Employees' Retirement System Plan 2 or 3 (PERS 2/3), Public Safety Employees' Retirement System Plan 2 (PSERS 2), School Employees' Retirement System Plan 2 or 3 (SERS 2/3), Teachers' Retirement System Plan 2 or 3 (TRS 2/3), or the Washington State Patrol Retirement System Plan 2 (WSPRS 2) who leaves employment to enter the armed forces of the United States may receive up to five years of retirement system service credit. These provisions are administered consistent with the governing federal law, the Uniform Services Employment and Reemployment Rights Act (USERRA).

To receive interruptive military service credit, the member must resume retirement system-covered service within one year of the end of his or her service in the armed forces. If a member applies but is refused reemployment within one year, then the member must resume retirement system-covered employment within 10 years.

Following re-employment in a retirement system-covered position, a member may have up to five years of military service credited to his or her retirement system if he or she pays the employee contributions. Depending on when the military service was completed, the member may or may not have been required to also pay interest on the contributions. The contributions are based on the average of the member's compensation at the time the member left employment to join the armed forces and at the time the member resumed employment, and payment must be completed within five years following either the first resumption of state employment or accumulation of 25 years of service credit.

In the event that a member is not reemployed in a retirement system-covered position following his or her military service, the member may not elect to pay the required employee contributions and interest and receive retirement system service credit for service in the armed forces. If a member cannot be reemployed due to death or total disablement while serving in the military, then the service credit may be purchased by the member or survivor.

There are several definitions of veteran in state law. For certain types of veterans' benefits that require service during a time of war, the definition limits veterans to those in specified uniformed services and honorably discharged, serving honorably, or discharged for physical reasons with an honorable record. The definition also defines "period of war" by listing specific conflicts, including World War I, World War II, the Korean conflict, the Vietnam era, the Persian Gulf War, and any future period beginning on the date of a future declaration of war by the U.S. Congress

and ending on the date of a Presidential proclamation or resolution by the U.S. Congress. Additional armed conflicts are included where the individual was awarded the respective campaign badge or medal.

Summary: A member of LEOFF 2, PERS 2/3, PSERS 2, SERS 2/3, TRS 2/3, or WSPRS 2 that provides proof to the Director of the Department of Retirement Systems that the member's interruptive military service credit was earned during a time of war may receive up to five years of interruptive military service credit without paying contributions. A member that similarly provides proof about past interruptive military service credit prior to retirement may request a refund of the funds paid by the member for such service.

Votes on Final Passage:

House	91	1
Senate	47	0

Effective: July 26, 2009

HB 1551

C 226 L 09

Addressing the survivor benefits of employees who die while honorably serving in the national guard or military reserves during a period of war.

By Representatives Conway, Bailey, Crouse, Seaquist, Kenney, Simpson, Morrell and Ormsby; by request of Select Committee on Pension Policy and LEOFF Plan 2 Retirement Board.

House Committee on Ways & Means
Senate Committee on Ways & Means

Background: The survivor of a member of the Law Enforcement Officers' and Fire Fighters' Retirement System Plan 2 (LEOFF), the Public Employees' Retirement System (PERS), Public Safety Employees' Retirement System Plan 2 (PSERS), School Employees' Retirement System (SERS), Teachers' Retirement System (TRS), or the Washington State Patrol Retirement System Plan 2 (WSPRS) that dies while in the line of duty or course of employment is entitled to a retirement allowance unreduced for the age of the member at the time of death.

With the exception of PERS Plan 2, no distinction among the plans 2 and 3 is made for the circumstances of death when a member dies outside of the line of duty of retirement system-covered employment. For the other systems and plans, the survivor of a member is typically eligible to receive either a refund of contributions or a survivor annuity that is actuarially reduced for each year that the deceased member died prior to the plan's normal retirement age. Legislation enacted in 2007 added a choice for survivors of members with at least 10 years of retirement system credit and killed in the current Iraq or Afghanistan conflicts either: 200 percent of the member's account balance or a monthly annuity.

In LEOFF Plan 1 and WSPRS Plan 1, the survivor of a member that dies in the line of duty is entitled to receive a monthly allowance equal to 50 percent of the deceased member's final average salary, plus additional amounts for eligible children up to a maximum of 60 percent of final average salary.

There are several definitions of veteran in state law. For certain types of veterans' benefits that require service during a time of war, the definition in RCW 41.04.005 applies. It limits veterans to those in specified uniformed services and honorably discharged, serving honorably, or discharged for physical reasons with an honorable record. The section also defines "period of war" by listing specific conflicts, including World War I, World War II, the Korean conflict, the Vietnam era, the Persian Gulf War, and any future period beginning on the date of a future declaration of war by the U.S. Congress and ending on the date of a Presidential proclamation or resolution by the U.S. Congress. Additional armed conflicts are included where the individual was awarded the respective campaign badge or medal.

Summary: Survivor benefits for members of LEOFF, PERS, PSERS, SERS, TRS and WSPRS that leave state employment and die while honorably serving in the National Guard or military reserves during a period of war as defined in RCW 41.04.005 are increased to equal those provided to survivors of members that die in the line of duty or course of state retirement system-covered employment.

Votes on Final Passage:

House	97	0
Senate	47	0

Effective: July 26, 2009

SHB 1552

C 336 L 09

Regarding public comment at rule-making hearings.

By House Committee on State Government & Tribal Affairs (originally sponsored by Representatives Kretz, Blake, Short, Nelson, Smith, Upthegrove and McCune).

House Committee on State Government & Tribal Affairs
Senate Committee on Government Operations & Elections

Background: A rule or regulation is a written policy or procedure by a state agency that is generally applicable to a group of people, industries, activities, or circumstances. Rules are adopted by an agency through a process mandated by the Washington Administrative Procedures Act (APA). The APA sets out exactly what steps an agency must follow to adopt rules. When an agency believes it has developed a final rule proposal, it publishes a notice of proposed rule-making and schedules a public hearing. At the public hearing, interested parties can make comments

about the proposal. Written comments can also be submitted.

Summary: During a rule-making hearing, all interested parties must have the opportunity to comment individually. All comments by all persons must be done orally in the presence and hearing of all other hearing attendees. Written or electronic submission may be accepted and included in the record.

Votes on Final Passage:

House	95	0	
Senate	45	0	(Senate amended)
House	97	0	(House concurred)

Effective: July 26, 2009

ESHB 1553

C 433 L 09

Addressing claims for damages against the state and local governmental entities.

By House Committee on Judiciary (originally sponsored by Representatives Takko, Goodman, Williams, Hurst, Pedersen and Campbell).

House Committee on Judiciary
Senate Committee on Government Operations & Elections

Background: A person may not commence a tort claim in court against either the state or a local government until the claimant complies with certain notice requirements established in statute, called the "claim filing statute." One of the purposes of the claim filing statute is to allow local governments time to investigate, evaluate, and settle claims prior to the instigation of a civil proceeding.

A tort claim against the state must be presented to and filed with the Risk Management Division of the Office of Financial Management (OFM). A tort claim against a local governmental entity must be presented to an agent designated by the local governmental entity to receive the claims.

The claim must accurately describe the injury or damages, the conduct or circumstances that brought about the injury or damage, the names of all persons involved, and the amount of damages claimed. A claimant may not commence a civil tort action against the state, or against a local governmental entity, until 60 days after the claim is filed. The statute of limitations for the claim is tolled during this 60-day period.

The claimant is required to verify, present, and file the claim with the state or local government. However, if the claimant is incapacitated, is a minor, or is a nonresident of the state who is absent when the claim is required to be filed, the claim may be verified, presented, and filed by any relative, attorney, or agent representing the claimant.

Substantial compliance with respect to the contents of the claim is sufficient. The claim filing statute for the state specifically provides that with respect to the content, the statute should be liberally construed so that substantial compliance is sufficient. However, the courts have generally required strict compliance with the procedural requirements of the claim filing statute and failure to strictly comply leads to dismissal of the action.

Procedures for filing claims for injuries resulting from health care are governed under a separate chapter of the Revised Code of Washington.

Summary: Claims against the state must be presented on a standard tort claim form. The form must be maintained by the OFM and put on its website. Claims against local governments may be presented on either the standard tort claim form or a form provided by the local government. Local governments and the state must make the standard form available with instructions on how the form is to be presented along with the name, address, and business hours of the agent authorized to receive the claim. The claim form must not list the claimant's social security number and may not require information that is not specified in the statute. The amount of damages stated on the claim form is not admissible at trial.

For claims against local governments, a claim is deemed presented when the form is delivered in person or received by the agent, by regular mail, registered mail, or by certified mail, with return receipt requested. For claims against the state, presentation of the claim is accomplished by service upon the agent or by registered mail.

For claims against local governments, if the claim form fails to seek the information specified in the statute or incorrectly lists the agent to whom the claim is to be filed, the local government is deemed to have waived any defense related to the failure to provide that specific information or to file with the proper agent.

The claimant does not have to provide his or her residential address six months prior to the time the claim arose, but must state his or her actual residence at the time the claim arose. The claim must be signed either by the claimant (who must also verify the claim), by the claimant's attorney-in-fact under a power of attorney, by an attorney licensed to practice in Washington, or by a court-approved guardian or guardian ad litem on behalf of the claimant.

An action commenced within five court days after the 60-calendar-day period has elapsed will be deemed to have been presented on the first day after the 60-calendar-day period.

The claim filing statutes do not apply to claims based on injuries from health care. The procedures established under the medical malpractice statutes apply to those claims.

The claim filing statutes are to be liberally construed with respect to the procedural requirements of the statute and substantial compliance will be deemed satisfactory.

Votes on Final Passage:

House	96	0	
Senate	39	9	(Senate amended)
Senate	35	12	(Senate amended)
House	93	0	(House concurred)

Effective: July 26, 2009

SHB 1555

C 432 L 09

Addressing the recommendations of the joint legislative task force on the underground economy in the construction industry.

By House Committee on Commerce & Labor (originally sponsored by Representatives Conway, Chase, Green, Dickerson, Rolfes, Goodman, Campbell, Morrell, Cody, Simpson, Ormsby, Van De Wege, Seaquist, Appleton, Miloscia, Hunt, Blake, Williams, Hudgins, Kenney, Sullivan, Priest, Eddy and Wood).

House Committee on Commerce & Labor
House Committee on Ways & Means
Senate Committee on Labor, Commerce & Consumer Protection
Senate Committee on Ways & Means

Background: In 2007 the Legislature established a Joint Legislative Task Force on the Underground Economy in the Construction Industry (Task Force). The Task Force met during the 2007 interim and developed recommendations which led to the passage of two bills in 2008, ESHB 3122 and 2SSB 6732. In addition, budget provisos were enacted. The 2008 legislation also extended the Task Force for an additional year. The Task Force met during the 2008 interim and submitted a final report to the Legislature. The final report contains a number of recommendations.

Summary: Provisions are adopted addressing contractor registration, workers' compensation education and outreach, liens on public works retainage, and unemployment record-keeping:

- A contractor must maintain, and have available for inspection by the Department of Labor and Industries (L&I), a list of all direct subcontractors and a copy of their certificate of registration.
- Before issuing a business license to a person required to be registered as a contractor, a city, town, or county may verify that the person is registered and report violations to L&I. The Department of Licensing must conduct the verification for cities that participate in the Master License System.
- The L&I is directed to conduct education and outreach to employers on workers' compensation requirements and premium responsibilities, including independent contractor issues. The L&I must work with new employers on an individual basis and also establish mass education campaigns.
- The L&I and the Employment Security Department (ESD) have a priority lien on retainage on public works projects following the Department of Revenue (DOR). After payment of the contractor's employees who were not paid the prevailing wage, and payment of amounts owing to the DOR with respect to the contract and other amounts owing to the DOR, the ESD and L&I have a lien for taxes, increases, and penalties due with respect to the contract. Other amounts owing to L&I and the ESD are a lien after other statutory lien claims (laborers and suppliers) have been paid.
- A penalty is created for employers who fail to keep and preserve unemployment insurance records. The penalty may not exceed $250 or 200 percent of the quarterly tax for each offense, whichever is greater.

The L&I, the ESD, and the DOR must report to the appropriate committees of the Legislature by December 1 each year on the effectiveness of efforts implemented since July 1, 2008, to address the underground economy. The agencies must use benchmarks and measures established by the Washington Institute for Public Policy and other measures it determines appropriate.

The Joint Legislative Task Force, originally scheduled to expire on July 1, 2009, is extended to December 15, 2009, and the scope is extended beyond construction. The membership of the committee is modified. A representative of cities and a representative of counties is added, and the business and labor members are no longer limited to construction representatives. In conducting its 2009 study, the task force may consider issues previously discussed by the task force and whether these issues need to be addressed in nonconstruction industries, the role of local governments in monitoring the underground economy, and the need to establish additional measures and benchmarks. The task force must report its findings and recommendations to the Legislature by December 1, 2009.

Votes on Final Passage:

House	95	1	
Senate	31	16	(Senate amended)
House	95	1	(House concurred)

Effective: July 26, 2009
October 1, 2009 (Section 11)

HB 1562
C 17 L 09

Changing the requirements for graduating without a certificate of academic achievement or a certificate of individual achievement.

By Representatives Liias, Priest, Quall, Sullivan, Kenney, Simpson, McCune and Ormsby; by request of Superintendent of Public Instruction.

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

Background: Starting with the class of 2008, high school students are required to meet the state standard on the 10th grade Washington Assessment of Student Learning (WASL) or an approved alternative assessment in reading, writing, and mathematics to receive a Certificate of Academic Achievement (CAA). Students in special education who are not appropriately assessed using the WASL can earn a Certificate of Individual Achievement (CIA). The CAA or CIA were to be required for high school graduation starting with the class of 2008, but the 2007 Legislature enacted a temporary exception for students who do not meet the state standard in mathematics.

Through the graduating class of 2012, students may graduate from high school without a CAA or CIA if they:

- have not met the state standard in mathematics on the WASL, an approved alternative assessment, or an alternative for eligible special education students;
- have met the state standard in the other required content areas;
- have met all other state and local graduation requirements;
- continue to take the appropriate mathematics assessment annually; and
- successfully earn two additional high school mathematics credits or a career and technical course equivalent after their sophomore year, designed to increase their proficiency on the WASL. This requirement was one additional credit after their junior year for students in the class of 2008.

Summary: The conditions for students through the graduating class of 2012 to be eligible for high school graduation without earning a Certificate of Academic Achievement or Certificate of Individual Achievement are revised. Students are no longer required to continue taking the appropriate mathematics assessment annually until graduation. Students are still required to take two mathematics credits after their sophomore year (one credit after their junior year for the class of 2008), but these credits are no longer required to be "additional" credits.

Votes on Final Passage:

House	97	0
Senate	42	1

Effective: March 30, 2009

SHB 1565
C 150 L 09

Addressing business continuity plans for domestic insurers.

By House Committee on Financial Institutions & Insurance (originally sponsored by Representatives Kirby, Kelley, Williams and Simpson; by request of Insurance Commissioner).

House Committee on Financial Institutions & Insurance
Senate Committee on Financial Institutions, Housing & Insurance

Background: Under the insurance code, insurers formed under the laws of Washington ("domestic insurers") must adopt procedures to continue to operate in a national emergency. The board of directors of a domestic insurer may adopt emergency bylaws to enable the insurers to reasonably operate in a national emergency. If emergency bylaws are not adopted by a domestic insurer, the following provisions are applicable:

- Three directors is a quorum for the transaction of business at a board meeting.
- A vacancy in the board may be filled by a majority of the remaining directors or by a sole remaining director.
- If there are no surviving directors, but at least three vice presidents of an insurer, the three vice presidents with the longest terms of service are the directors and possess all of the powers of the previous board. By majority vote, the board of directors may elect other directors.
- If there are not at least three surviving vice presidents, the Insurance Commissioner (Commissioner) or designated person exercising the powers of the Commissioner must appoint three persons as directors and these persons by majority vote may elect other directors.

The board of directors of a domestic insurer may provide that in the event of a national emergency:

- There is a list of succession in the event of the death or incapacity of the president, the secretary, or the treasurer of the insurer. The list must establish the order of succession by name or title and may prescribe the conditions under which the powers of the office shall be exercised.
- The principal office and place of business of the insurer is at a named or described location. Alternate locations and an order of preference may be provided.

Summary: The existing provisions of law that apply to business continuity for a domestic insurer in a national emergency are extended to:

- local and state emergencies;
- significant business disruptions; and

- issuers (a group that encompasses domestic insurers, domestic fraternal benefit societies, domestic certified health plans, domestic health maintenance organizations, and domestic health care service contractors).

The Commissioner is granted the authority to adopt rules regarding business continuity standards after considering relevant standards adopted by the National Association of Insurance Commissioners, other states, and other authorities that regulate financial institutions.

These provisions take effect January 1, 2011.

Votes on Final Passage:

House	96	0
Senate	46	0

Effective: January 1, 2011

EHB 1566

C 335 L 09

Granting the insurance commissioner certain authority when the governor declares a state of emergency.

By Representatives Kirby, Williams and Simpson; by request of Insurance Commissioner.

House Committee on Financial Institutions & Insurance
Senate Committee on Financial Institutions, Housing & Insurance

Background: The Insurance Commissioner (Commissioner) regulates insurance in this state. This includes oversight of rates, forms, financial conditions, claims practices, and other matters related to the business of insurance. The Commissioner has the general authority to make reasonable rules and regulations to effectuate any provision of the insurance code. The Commissioner has a number of other specific grants of authority, including the ability to adopt rules that define methods of competition and acts and practices to be unfair or deceptive.

The Commissioner may also adopt emergency rules if the Commissioner finds that the "immediate adoption, amendment, or repeal of a rule is necessary for the preservation of the public health, safety, or general welfare, and that observing the time requirements of notice and opportunity to comment upon adoption of a permanent rule would be contrary to the public interest or that state or federal law or federal rule or a federal deadline for state receipt of federal funds requires immediate adoption of a rule."

An adopted emergency rule is effective upon filing with the Code Reviser, unless a later date is specified in the order of adoption. An emergency rule may not remain in effect for longer than 120 days after filing. Identical or substantially similar emergency rules may not be adopted successively unless conditions have changed or the Commissioner has filed to begin a permanent rule-making and is actively undertaking the appropriate procedures to adopt a permanent rule.

After finding that a public disorder, disaster, energy emergency, or riot exists within this state, which affects life, health, property, or the public peace, the Governor may proclaim a state of emergency in the affected area. The powers granted to the Governor during a state of emergency are effective only within the area described in the proclamation.

Under the Administrative Procedures Act, an "order," is defined as a "written statement of particular applicability that finally determines the legal rights, duties, privileges, immunities, or other legal interests of a specific person or persons."

Summary: When the Governor proclaims a state of emergency, the Commissioner may issue an order that addresses any or all of the following matters related to insurance policies:

- reporting requirements for claims;
- grace periods for payment of insurance premiums and performance of other duties by insureds;
- temporary postponement of cancellations and renewals; and
- medical coverage to ensure access to care.

An order by the Commissioner is effective for up to 60 days. The Commissioner may extend the termination date for the order for an additional period of time up to 30 days. The Commissioner may extend the order if, in the Commissioner's judgment, the circumstances warrant an extension. An order of the Commissioner is not effective after the related state of emergency is terminated by proclamation of the Governor. The order must specify, by line of insurance:

- the geographic area in which the order applies. The geographic area must be the same as or within the geographic area where the Governor has proclaimed a state of emergency;
- the date on which the order becomes effective; and
- the date on which the order terminates.

The Commissioner may adopt rules that establish general criteria for orders issued during a state of emergency and may adopt emergency rules applicable to a specific proclamation of a state of emergency by the Governor. This rule-making authority does not limit or affect other rule-making authority granted to the Commissioner.

Votes on Final Passage:

House	97	0	
Senate	45	2	(Senate amended)
House	97	0	(House concurred)

Effective: July 26, 2009

HB 1567

C 161 L 09

Addressing insurance, generally.

By Representatives Bailey, Kirby and Roach; by request of Insurance Commissioner.

House Committee on Financial Institutions & Insurance
Senate Committee on Financial Institutions, Housing & Insurance

Background: The Insurance Commissioner (Commissioner) regulates insurance in this state.

Regulatory Assessments. The Office of the Insurance Commissioner (OIC) is authorized to charge a sum against an insurer's premium volume to finance the OIC's operations. In 2007 two different bills were enacted that impacted a statute providing for the fund mechanism that pays for the operation of the OIC. Those two bills did not reference each other. One bill (House Bill 1293) changed provisions related to health maintenance organizations. The other bill (Substitute Senate Bill 5919) changed the characterization of mechanism from "fee" to "surcharge," excluded the surcharge from the definition of "premium," provided a method of recouping the amount of surcharge, and excluded the surcharge from the calculation of retaliatory taxes.

Washington assesses retaliatory taxes on a foreign (meaning out-of-state) insurer when the foreign insurer's state of domicile assesses higher aggregate taxes, fees, and assessments on insurance policies written by a Washington-domiciled insurer than Washington would otherwise assess on foreign insurers writing insurance in Washington. Generally, in determining whether a retaliatory tax should apply to a foreign insurer, states aggregate all taxes, fees, and assessments charged by the other state. However, states may exclude some fees and assessments from the retaliatory tax calculation. States may be more likely to exclude fees from their retaliatory tax calculations if the fees are assessments for special purposes or are fees that insurers are permitted to recoup from policyholders.

In 2008 the state capital budget allowed for the transfer of funds from the Commissioner's regulatory account to the State Heritage Center Account during the 2007-2009 fiscal biennium.

Securities. In 2008 legislation was enacted that altered the regulatory framework for securities held by an insurer. One permitted method for holding securities is in the Treasury/Reserve Automated Debt Entry Securities System (TRADES).

Insurer Fiscal and Tax Reporting. On or before March 1 of every year, domestic insurers must file an annual statement regarding the insurer's financial condition, transactions, and affairs with the OIC and the National Association of Insurance Commissioners (NAIC). Foreign (meaning out-of-state) and alien (meaning out-of-country) insurers must file an annual statement with the NAIC.

Insurers pay a premium tax to the OIC every year on or before March 1. The tax is in the amount of 2 percent of premiums. The OIC remits the money to the State Treasurer. The money is then deposited into the State General Fund.

In the annual statement, an insurer is to file a statement of premiums collected or received according to a form prescribed by the OIC. In every statement, the reporting of premiums for tax purposes must be on a written basis or on a paid-for basis consistent with the basis required by the annual statement.

Medicare Supplement Insurance. Medicare Supplement insurance is a type of health coverage intended to fill in the coverage gaps in the Medicare program. There are 12 standard policy options, called A through L, that provide coverage for a range of benefits. These Medicare Supplement polices are regulated by the Commissioner although standards are often set by the federal government.

Unless otherwise provided for in existing law, an issuer of a Medicare Supplement insurance policy or certificate providing coverage to a resident of this state issued on or after January 1, 1996, must issue coverage:

- under its standardized benefit plans B, C, D, E, F, G, K, and L without evidence of insurability to any eligible resident if the Medicare Supplement policy replaces another Medicare Supplement standardized benefit plan policy or certificate B, C, D, E, F, G, K, or L, or other more comprehensive coverage than the replacing policy; and
- under its standardized benefit plans A, H, I, and J without evidence of insurability to any eligible resident if the new Medicare Supplement policy is the same standardized plan as the replaced policy. After December 31, 2005, plans H, I, and J may be replaced only by the same plan if that plan has been modified to remove outpatient prescription drug coverage.

Summary: Regulatory Assessments. The language regarding permitted appropriations during the 2007-09 fiscal biennium is struck.

Securities. An incorrect reference to "equity" is replaced with "entry" in the reference to Treasury/Reserve Automated Debt Entry Securities System (TRADES).

Insurer Fiscal and Tax Reporting. The reporting of premiums for tax purposes must be consistent with the basis the insurer used to report in the insurer's annual statement. The insurer may use a written or a paid-for basis.

Medicare Supplement Insurance. The existing replacement provisions for policies written after January 1, 1996, apply to policies written until June 1, 2010.

Unless otherwise provided for in existing law, an issuer of a Medicare Supplement insurance policy or certificate providing coverage to a resident of this state issued on or after June 1, 2010, must issue coverage:

- under its standardized benefit plans B, C, D, E, F with high deductible, G, K, L, M, or N without evidence of

insurability to any eligible resident if the Medicare Supplement policy or certificate replaces another Medicare Supplement policy or certificate or other more comprehensive coverage; and
- under its standardized benefit plans A without evidence of insurability to any resident of this state who is eligible for both Medicare hospital and physician services by reason of age or by reason of disability or end-stage renal disease, if the Medicare Supplement policy or certificate replaces another standardized plan A Medicare Supplement policy or certificate.

Votes on Final Passage:

House	96	0
Senate	47	0

Effective: July 26, 2009

EHB 1568

C 162 L 09

Regulating persons selling, soliciting, or negotiating insurance.

By Representatives Bailey, Kirby, Rodne, Roach, Kelley and Simpson; by request of Insurance Commissioner.

House Committee on Financial Institutions & Insurance
Senate Committee on Financial Institutions, Housing & Insurance

Background: Legislation in 2007 and 2008. The Office of the Insurance Commissioner (OIC) licenses and regulates insurance agents, brokers, and solicitors. An insurance agent is appointed by an insurer to solicit applications for insurance on behalf of the insurer. If authorized to do so, an agent may enter into insurance contracts and collect premiums on insurance. An insurance broker is a person who, on behalf of an insured, for a fee, solicits, negotiates, or procures insurance for insureds. A solicitor is authorized by an agent or broker to solicit applications and collect premiums for an agent or broker.

In 2007 Substitute Senate Bill 5715 was enacted which altered the regulatory framework for insurance agents and brokers. Substitute Senate Bill 5715 was based largely on the National Association of Insurance Commissioner's Producer Licensing Model Act. Among the modifications to the oversight of agents and brokers are changes to the categories of licenses, background checks, fees, and commissions. Another change was the replacement of the terms "agent," "broker," and "solicitor," with the term "insurance producer." "Title insurance agents" were not included in the scope of the term "producer." An insurance producer is a person required to be licensed under the laws of the state to sell, solicit, or negotiate insurance. A title insurance agent is a business entity licensed under the laws of this state and appointed by an authorized title insurance company to sell, solicit, or negotiate insurance on behalf of the title insurance company.

In 2008 the Legislature passed Engrossed Senate Bill 6591 was enacted. Engrossed Senate Bill 6591 changed some words and phrases that became obsolete with the passage of Substitute Senate Bill 5715. Some additional terminology and grammatical changes were made. There were also some changes to allow for more ease of implementation regarding the use of the new terms on insurance policy forms.

Substitute Senate Bill 5715 and Engrossed Senate Bill 6591 both take effect on July 1, 2009.

Adjusters. An adjuster is a person who, for compensation, investigates or reports to his principal relative to claims arising under insurance contracts on behalf solely of either the insurer or the insured. Insurers are licensed by the OIC. An "independent adjuster" is an adjuster representing the interests of the insurer. A "public adjuster" means an adjuster employed by and representing solely the financial interests of the insured named in the policy.

Unauthorized Insurers and Surplus Line Brokers. Under insurance statutes, if coverage cannot be purchased from an authorized insurer, the coverage may be purchased from an unauthorized insurer only if:
- the purchaser procures the insurance through a licensed surplus line broker;
- a diligent effort is made to find the coverage from authorized insurers; and
- the purpose for using an unauthorized insurer is something other than securing a lower premium rate than would be accepted by any authorized insurer.

Requirements regarding surplus line brokers include:
- licensure, including background checks;
- minimum bonding amounts of $20,000 in the name of the state to ensure compliance with the law and pay taxes and $100,000 in the name of the state or a named insured for liability;
- record-keeping; and
- reporting.

While some provisions regarding the regulation of surplus line brokers were changed in the 2007 and 2008 legislation, many other provisions were not altered.

Summary: Producers. Licensed surplus line brokers are specifically excluded from the definition of "insurance broker."

The Insurance Commissioner (Commissioner) must adopt, by rule, minimum continuing education rules for producers.

Additional language and grammatical changes are made in the statutes that apply to producers.

Title Agents. Non-resident business entities acting as title agents must be licensed as a title insurance agent. They must fill out an application, pay licensing fees, be appropriately incorporated in their home states, be appointed

by an authorized title insurer, and comply with other specified laws.

Adjusters. A person may not hold himself or herself out to be an adjuster unless licensed by the Commissioner or otherwise authorized under law to act as an adjuster. Adjusters have to undergo background checks in the licensing process. Non-resident adjusters who are licensed in another state may receive reciprocity in this state.

Surplus Line Brokers. Minimum bonding amounts in the name of the state or a named insured for liability are modified. A surplus line broker must have bonds in the amount of $2,500, or 5 percent of premiums in the previous year, whichever is greater. This amount is capped at a maximum of $100,000.

Additional methods to satisfy the bonding requirements are created.

Provisions regarding the renewal of a license and the impact of late renewal or of renewing a lapsed license are added.

A surplus line broker who receives any funds representing premiums or return premiums which belong to or should be paid to another person related to an insurance transaction is deemed to have received the funds in a fiduciary capacity and must:

- report the exact amount of consideration charged as premium to the insurer;
- list the exact amount in the contract and in the records of the surplus line broker;
- promptly account for and pay to the insured, insurer, or person entitled to the funds; and
- account for and maintain in a separate account from all other business and personal funds except for specified circumstances.

Each willful violation of the provisions regarding funds constitutes a misdemeanor. Any licensee who unlawfully diverts or appropriates funds received in a fiduciary capacity is guilty of theft.

The Commissioner may adopt rules to implement the provisions that apply to surplus line brokers.

A number of sections that currently apply to producers are also specifically applied to surplus line brokers. This includes statutes that address:

- unfair claims and practices in insurance;
- certain prohibited acts in insurance;
- insurance mergers, rehabilitation, liquidation, supervision;
- local government insurance transactions;
- the Uniform Insurers Liquidation Act;
- the insurance fraud program;
- certain rights and immunities;
- employments and occupations covered by industrial insurance; and
- the business and occupation tax.

Additional language and grammatical changes are made.

Votes on Final Passage:

House 96 0
Senate 47 0

Effective: July 1, 2009

HB 1569

C 45 L 09

Establishing local public works assistance funds.

By Representatives Liias, O'Brien, Hope, Sells, Dunshee, Kagi, McCoy, Morrell and Ormsby.

House Committee on Local Government & Housing
Senate Committee on Government Operations & Elections

Background: Counties are the general purpose units of local government that govern unincorporated areas of the state and provide some services and functions within incorporated cities and towns. Counties provide a variety of administrative services, including maintaining public records, providing criminal justice services, building and repairing roads, and conducting elections. Counties also assess property and collect taxes. With some exceptions, county legislative authorities, the governing bodies of counties, consist of three-member elected boards of commissioners.

The Growth Management Act (GMA) is the comprehensive land use planning framework for county and city governments in Washington. The GMA directs jurisdictions obligated by mandate or choice to adopt internally consistent comprehensive land use plans that are generalized, coordinated land use policy statements. Comprehensive plans must address specific planning elements, including a capital facilities plan element, each of which is a subset of a comprehensive plan. The implementation of comprehensive plans occurs through locally adopted development regulations.

Summary: County legislative authorities may establish local public works assistance funds (Funds) for the purpose of funding public works projects located wholly or partially within the county. Monies may be deposited in Funds from existing revenue sources of the county. Monies deposited in Funds may only be used:

- to make loans to the county and to other local governments, as defined, for funding qualifying public works projects; and
- for costs incurred in the administration of Funds.

A "public works project" is defined as a project of a local government for the planning, acquisition, construction, repair, reconstruction, replacement, rehabilitation, or improvement of streets and roads, bridges, water systems, or storm and sanitary sewage systems and solid waste facilities, including recycling facilities.

No more than 50 percent of the monies loaned from a Fund in a calendar year may be loaned to the county of origin. At least 25 percent of the monies anticipated to be loaned from a Fund in a calendar year must be made available for funding public works projects in cities or towns. Additionally, no more than 1 percent of the average annual balance of a county's Fund, including interest earned on balances from the Fund, may be used annually for administrative costs.

Counties, in consultation with cities and towns within the county, may make loans to qualifying local governments from Funds to assist local governments in funding public works projects. Counties may require terms and conditions and may charge interest on loans as deemed necessary or convenient. Counties may not pledge any amount greater than the sum of money in their Fund plus money to be received from the payment of the debt service on loans made from that Fund. Money received from local governments in repayment of loans must be paid into the Fund of the lending county for permitted uses.

Prior to receiving monies from an established Fund, a local government applying for financial assistance must demonstrate to the lending county:

- utilization of all local revenue sources that are reasonably available for funding public works projects;
- compliance with applicable requirements of the GMA; and
- consistency between the proposed project and applicable capital facilities plans.

County legislative authorities utilizing or providing money from a Fund must develop a prioritization process for funding public works projects that gives priority to projects necessary to address public health needs, substantial environmental degradation, or projects that increase existing capacity necessary to accommodate projected population and employment growth. This prioritization process must be:

- completed collaboratively with public works directors of local governments within the county;
- documented in the form of written findings produced by the county; and
- revised periodically according to a schedule developed by the county and the public works directors.

Additionally, legislative authorities providing funding to local governments through a Fund must consider, through a competitive application process, certain factors in assigning a priority to and funding a project. Examples of those factors include:

- whether the local government applying for assistance has experienced severe fiscal distress resulting from natural disaster or emergency public works needs;
- whether the project is critical in nature and would affect the health and safety of a great number of citizens; and
- the additional jobs estimated to be achieved by funding the project.

County legislative authorities providing funding for public works projects from a Fund must keep proper records of accounts and are subject to audit by the state auditor.

Votes on Final Passage:

House	97	0
Senate	45	1

Effective: July 26, 2009

ESHB 1571

C 332 L 09

Regarding the adjudication of water rights.

By House Committee on Agriculture & Natural Resources (originally sponsored by Representatives Blake and Chandler; by request of Department of Ecology).

House Committee on Agriculture & Natural Resources
Senate Committee on Environment, Water & Energy

Background: The state's Surface Water Code establishes a general adjudication procedure. An adjudication can determine rights to surface water, ground water, or both. Holders of water rights or watershed planning units may petition the Department of Ecology (DOE) to start an adjudication. The DOE may also start an adjudication at its own discretion. Such a proceeding is conducted in the superior court with the DOE as the plaintiff. Each person filing a statement of claim in the proceeding must pay a filing fee to the court. The DOE, or a designee of the DOE, takes testimony and files a report with the court of its findings regarding the water rights of all of the entities claiming water rights in the proceeding. The expenses incurred by the state in such a proceeding or upon an appeal are borne by the state.

Summary: Commencement of Adjudication. After a petition by a water right holder or planning unit, the DOE must file a statement with the court. Prior to filing an adjudication, the DOE must consult with the Administrative Office of the Courts to determine whether there are sufficient judicial resources available to conduct an adjudication in a timely manner. The DOE must report to the Legislature on the estimated budget needs for the superior court and the DOE to conduct the adjudication.

The court is encouraged to conduct the water rights adjudication with innovative practices and technologies, such as filing documents electronically, using teleconferencing for appearances, and prefiling testimony.

Summons. Service of the summons may either be by personal service or certified mail. If a potential claimant cannot be found within Washington or fails to sign a receipt for the certified mail summons, summons may be made in a publication of general circulation in the county

where the subject water is found. Summons must be served at least 60 days before the required return date of the summons and the return date must be between 100 and 130 days after the order.

The summons will require the claimants to appear and file a claim to the subject water involved. If the claimant fails to file a claim, the court may issue a default judgment. A party in default may file a late claim under the same circumstances the party could respond or defend under court rules on default judgments.

Preliminary Investigation. Upon receiving the adjudication claims and filing the claimants' evidence, the DOE must conduct a preliminary investigation to examine the uses of the subject waters. After the preliminary investigation, the DOE must file with the court the findings of the investigation, and: (1) enter a motion for a partial decree in favor of all the stated claims; (2) enter a motion seeking determination of contested claims; or (3) both.

Referee. The superior court may appoint a referee or other judicial officer to assist the court.

Settlement. Out-of-court settlements are encouraged.

Final Decree. Upon the court's determination of all issues, the court must issue a final decree and provide notice of the decree to all parties.

Disqualification of a Judge. A judge may be partially or fully disqualified from hearing an adjudication. Partial disqualification means disqualification from hearing specified claims. Full disqualification means disqualification from hearing any aspect of the adjudication. A judge is partially disqualified when the judge's impartiality might reasonably be questioned and the apparent or actual partiality is limited to specified claims. A judge is fully disqualified when the judge's impartiality might reasonably be questioned, and the apparent or actual partiality extends beyond limited claims so that the judge should not hear any part of the adjudication.

Appeals. Any party to an appeal may move the court to certify portions of the appeal to the Pollution Control Hearings Board, but the appellant must file a motion for certification no later than 90 days after the appeal is filed.

Fees. At the time of filing an adjudication claim, the claimant must pay the clerk of the superior court a fee of $25. Within 90 days after the final decree, each party must pay the DOE $50 for preparing and issuing a water right certificate.

Votes on Final Passage:

House	84	12	
Senate	30	17	(Senate amended)
House	69	29	(House concurred)

Effective: July 26, 2009

HB 1578

C 254 L 09

Regarding the board of directors of an air pollution control authority.

By Representatives Driscoll, Ormsby, Wood and Williams.

House Committee on Local Government & Housing
Senate Committee on Government Operations & Elections

Background: Local air pollution control authorities (authorities) are established under the Washington Clean Air Act. Each authority is a municipal corporation that is responsible for carrying out specified duties relating to the prevention and control of air pollution. Each of Washington's 39 counties has an authority. However, some authorities are inactive.

A board of directors (board) governs each authority. The method of designating board members varies according to the number of counties comprising the authority and the populations within each county. A board member is designated by either a board of county commissioners, a city, a city selection committee, or the board. State law does not specify a procedure for filling mid-term vacancies on the board.

Each county within the jurisdiction of an authority has a city selection committee (committee). With the exception of the mayor of the city with the greatest population in the county, the mayors of each city and town in the county sit on the committee.

The committee may choose an appointee to the board in a meeting or through a mail-in ballot procedure administered by the county auditor. State law does not specify any method for designating candidates for the mail-in ballot procedure.

Summary: Vacancies on air pollution control boards that occur mid-term must be filled using the same method as the original appointment. However, city selection committees are exempted from this requirement; they may opt to fill a vacancy in a meeting or through a mail-in ballot.

If a city selection committee is to appoint a board member through a mail-in ballot, the county auditor is required to solicit nominations from committee members prior to initiating the mail-in ballot process.

Votes on Final Passage:

House	94	0
Senate	43	0

Effective: July 26, 2009

HB 1579
C 508 L 09

Concerning a business and occupation tax exemption for nonprofit organizations that provide legal services to low-income individuals.

By Representatives Appleton, Hasegawa and Nelson.

House Committee on Finance
Senate Committee on Ways & Means

Background: Washington's major business tax is the business and occupation (B&O) tax. The B&O tax is imposed on the gross receipts of business activities conducted within the state without any deduction for the costs of doing business. Major tax rates are 0.484 percent for manufacturing and wholesaling, 0.471 percent for retailing, and 1.5 percent for services. Several lower rates also apply to specific business activities.

Specific B&O exemptions exist for several types of profit and nonprofit organizations. The eligibility conditions vary for each exemption. The term "exemption" is used broadly to include a wide variety of tax preference items, which reduces tax liability upon a certain class of taxpayers. It includes exclusions, deductions, preferential tax rates, deferrals, and credits.

Summary: Nonprofit organizations that primarily provide legal services to low-income individuals at no charge are exempt from the business and occupation tax.

Votes on Final Passage:

House	62	35	
Senate	31	18	(Senate amended)
House	61	33	(House concurred)

Effective: July 26, 2009

2SHB 1580
C 183 L 09

Establishing a pilot local water management program in one qualified jurisdiction.

By House Committee on General Government Appropriations (originally sponsored by Representatives Kessler, Walsh, Santos, Morris, Blake, Takko, Chandler, McCoy, Newhouse, Kretz, Linville, Jacks, Ormsby, Van De Wege, Hurst, Warnick, Nelson, Hinkle, Springer and Kenney).

House Committee on Agriculture & Natural Resources
House Committee on General Government Appropriations
Senate Committee on Environment, Water & Energy

Background: Water Resource Inventory Areas. The Water Resources Act (Act) directs the Department of Ecology (DOE) to develop a comprehensive state water resource program for making decisions on future water resource allocation and use. The Act permits the DOE to develop the program in segments. Under the Act, the DOE has divided the state into 62 Water Resource Inventory Areas (WRIAs).

Modifying Existing Water Rights. There are several fundamental elements of a water right. One is its priority. Other elements of the water right include the amount of water that may be withdrawn from a particular water source, the time of year and point from which the water may be withdrawn, how the water can be used (such as an agricultural or municipal use), and where the water may be used. Certain elements of a water right may be modified with the approval of the DOE if the modification would not impair other existing water rights. An approved modification does not affect the priority date of the right. Alterations in water rights are referred to in statute as transfers, changes, and amendments of water rights.

Watershed Planning. State watershed planning laws provide a process for conducting watershed planning through a locally initiated process. If planning is conducted under this process, it must include a component on current and future water availability and use. It may include components regarding in-stream flows, water quality, and habitat.

Walla Walla Comprehensive Water Management Structure. In 2008 the Legislature provided the DOE $195,000 from the State General Fund for Fiscal Year 2009 to design a comprehensive water management structure for the Walla Walla River Basin.

The Legislature requested that the structure address the allocation of functions, authorities, resource requirements, and issues associated with interstate watershed management of the basin.

A report was written to the Legislature outlining the proposed governance and water management structure in December 2008.

Summary: The Water Management Board. The initiating entities consist of the county boards of commissioners within the planning area, the city council of the largest Washington city in the planning area, the largest water user in the planning area, and all affected federally recognized tribes within the planning area.

Initiating entities may collectively petition the DOE to establish a Water Management Board (Board). The initiating entities must demonstrate that there is community support for the development of a local water management plan, that there is commitment to enhance stream flows for fish, and that there is an adequate monitoring network in place. Before approving the creation of a Board, the DOE must require that an in-stream flow rule is in place in the planning area, the planning area is within a fish critical basin with severely impaired flows, and the watershed planning unit has completed watershed and salmon recovery implementation plans. The DOE must also give strong consideration to basins that have completed a judicial proceeding to adjudicate water rights.

Composition of the Water Management Board. The Board must be composed of: (1) representatives from each of the counties within the planning area; (2) a representative from the largest city in the planning area; (3) a representative of the largest water user in the planning area; (4) a representative appointed by the conservation districts in the planning area; (5) a representative of the planning area water users; (6) a representative of environmental interests in the planning area; and (7) a representative of citizens at large. In addition, all affected federally recognized tribes within the planning area must be invited to participate and are able to appoint one member to the Board. Each Board member serves a two-year term and may be reappointed.

The Policy Advisory Group and the Water Resource Panel. The Board must create a policy advisory group that must assist and advise the Board in, among other things, coordinating and developing water resource programs, planning, and activities within the planning area. The Board must also create a water resource panel that must provide technical assistance for the development of the local water plan, advice to the Board on the criteria for establishment of local water plans, and suggestions for the approval, denial, or modification of the local water plans.

Duties of the Water Management Board. The Board must assume all duties, responsibilities, and activities of the watershed planning unit, as well as develop strategic actions for the planning area, make the water management program effective, administer the local water plan process, oversee local water plan implementation, manage banked water, acquire rights, represent the interests of the planning area, and enter into agreements with water right holders to not divert water.

The Board may provide for its own funding by adopting fees or soliciting or accepting grants, loans, or donations.

Reports to the Legislature. The Board, in collaboration with the DOE, must provide reports to the Legislature every three years beginning in 2012. The reports must summarize the actions, funding, and accomplishments of the Board, as well as any recommendations for improvement of the local water plan process.

Water Banking. The Board may establish a mechanism to bank water within the planning area. The Board may accept a surface water or groundwater right for banking on a permanent or temporary basis. Temporarily banked water remains in the ownership of the water right holder, and permanently banked water must be transferred to the state as a trust water right. The banked water rights or banked portions of water rights are available under the local water plan for stream flow enhancement.

Water rights banked for in-stream flow must not have an extent and validity review and may not be authorized for other purposes. In addition, banked water rights or banked portions of water rights are not subject to loss by forfeiture. When a temporary deposit is withdrawn from banking, the time period that the water right was banked may not be included in the five years of prior water use review under the relinquishment statute.

The Local Water Plan. The local water plan may be submitted by a water user or group of water users to the Board for approval by the Board and the DOE. The local water plan may be effective for a term of one to 10 years. The Board must provide a 30-day public notice period on the proposed local water plan. The final decision of the DOE on the local water plan is appealable to the Pollution Control Hearings Board.

A local water plan expires by its own terms, by withdrawal of one or more water users to the local water plan, or upon agreement by all parties to the contract. If the local water plan operates for more than five years and then expires, the water users may request that the elements of the local water plan be made permanent authorizations and conditions for use of the water rights.

Water rights in the local water plan are not subject to a review of the extent and validity of the water right, nor subject to loss by forfeiture.

Location of the Pilot Program. The pilot of the local water management program must be located in WRIA 32.

Expiration of the Act. This act expires June 30, 2019.

Votes on Final Passage:

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

Effective: July 26, 2009

SHB 1583

C 337 L 09

Modifying provisions relating to county auditors.

By House Committee on Local Government & Housing (originally sponsored by Representatives Alexander, Simpson, Angel, Miloscia, Short and Nelson).

House Committee on Local Government & Housing
Senate Committee on Government Operations & Elections

Background: The county auditor records deeds and other written instruments. The auditor is also required to charge fees for service and to act as clerk for the board of county commissioners. The county auditor is authorized to copy, preserve, and index documents filed with the county. Other duties of the auditor include:

- monitoring the financial condition and operations of the county and other public entities within the county;
- recording the county treasurer's reports regarding county receipts and disbursements;
- filing yearly reports with the state auditor regarding state funds held by the county; and

- complying with procedural requirements regarding processing and record-keeping related to warrants issued out of funds controlled by a county.

Summary: Numerous statutes pertaining to the duties of county auditors are amended in order to clarify existing law, delete obsolete statutory provisions, streamline county procedures, eliminate outdated practices and archaic language, and make technical corrections.

A specific reference to the statutory definition of "credit union" is added in a legal provision regarding charitable donations.

Technical procedural requirements are eliminated regarding the paperwork that must be completed by a county auditor prior to paying a salary to county officers.

Specified technical requirements are eliminated pertaining to an auditor's duties to report annually on the status of a county's state fund account, and the state auditor is authorized to create his or her own standards for such reporting by county auditors.

Statutory language is eliminated specifically requiring that surcharges for the filing of written instruments be deposited in a county's general fund.

A charter county's chief financial officer, in lieu of a county auditor, is authorized to provide specified revenue and expenditure information to various county officials.

Clarifying technical changes are made to several statutes referencing a county's "chief financial officer" so as to modify the references to read "chief financial officer designated in a charter county."

A "chief financial officer designated in a charter county" is required to submit an annual budget to the board of county commissioners. (Current law places this requirement only on a county auditor.)

The statute is revised that makes a county official and/or auditor personally liable for liabilities incurred or payments made by him or her in excess of authorized budget appropriations. The provisions are deleted requiring that such county official or auditor pay penalties four times the amount of the unauthorized debt or expenditure.

The requirements imposed on county auditors and special purpose districts are simplified regarding reporting to the state auditor regarding newly created districts.

The following statutes in the Revised Code of Washington are repealed:

- 28A.350.010 - requires auditors to comply with technical procedural requirements with respect to warrants issued by school districts;
- 28A.350.020 - requires auditors to register warrants of second-class school districts with the treasurer;
- 28A.350.030 - requires auditors to audit the accounts all school districts within their counties;
- 28A.350.040 - requires auditors to issue warrants for specified types of payments from the accounts of second class school districts;
- 28A.350.050 - prohibits an auditor from issuing a warrant for the payment of the salary of a teacher who does not meet teacher qualification requirements;
- 28A.350.060 - makes an auditor personally liable for the issuance of school district warrants exceeding the sums specified in the district's annual budget;
- 28A.350.070 - prohibits an auditor from issuing warrants on behalf of second-class school districts except to specified categories of individuals or firms;
- 36.18.110 - creates requirement for salaried county and precinct officers to report receipt of fees to the county auditor;
- 36.18.120 - establishes a requirement that an auditor check certain statements and creates procedural requirements; and
- 36.18.130 - creates procedural requirements applicable to county auditors regarding reporting of any errors or irregularities discovered by a checking officer.

Votes on Final Passage:

House	94	0	
Senate	44	0	(Senate amended)
House	97	0	(House concurred)

Effective: July 26, 2009

HB 1589

C 322 L 09

Addressing venue for hearings to modify or revoke an order for conditional release.

By Representatives Green, Dickerson and O'Brien.

House Committee on Human Services
Senate Committee on Human Services & Corrections

Background: Under the Involuntary Treatment Act, a court may order a person to be civilly committed if there is sufficient evidence that they are gravely disabled or have a likelihood to cause serious harm to themselves or others. In some circumstances, rather than involuntarily confining a person to a facility for inpatient treatment, the court may decide that it is in the best interest of a person to be released to a less restrictive alternative (LRA), which is effectively involuntary outpatient treatment.

The hospital or facility which provides the involuntary outpatient care may petition to revoke the LRA if it determines that the person ordered by the court to complete the outpatient treatment: (1) is failing to adhere to the terms and conditions of that order; (2) is showing evidence of substantial decompensation which may be reversed by further inpatient treatment; (3) has had substantial deterioration of functioning; or (4) poses a likelihood of serious harm. The designated mental health professional or the Secretary of the Department of Social and Health Services

may order that the conditionally released person be apprehended and taken into custody. Pending a hearing for a revocation of a LRA order, the person must be temporarily detained, for not more than five days, in an evaluation and treatment facility in or near the county in which he or she is receiving outpatient treatment. Proceedings for revocation of a LRA may be initiated without detaining the person prior to the hearing. In that case, a court hearing must take place not less than five days from the date of service of the petition upon the conditionally released person.

Summary: As an alternative to filing a petition for revocation of a LRA in the court that originally ordered the LRA, a petition may be filed in a county court in the county in which the respondent is present.

Votes on Final Passage:

House	97	0	
Senate	47	0	(Senate amended)
House	98	0	(House concurred)

Effective: July 26, 2009

SHB 1592

C 437 L 09

Registering business entities and associations with the secretary of state.

By House Committee on Judiciary (originally sponsored by Representatives Pedersen, Rodne, Kelley and Kenney; by request of Secretary of State).

House Committee on Judiciary
Senate Committee on Judiciary

Background: Limited Liability Companies. A Limited Liability Company (LLC) is a type of business entity that provide owners with limited personal liability for the LLC's debts and actions. One or more individuals or entities form LLCs through a certificate of formation filed with the Office of the Secretary of State (OSOS). The certificate of formation details the organization of the LLC, including provisions for management, assignments of interests, and distribution of profits or losses.

Limited Liability Partnerships. A Limited Liability Partnership (LLP) is a type of business entity that is similar to a general partnership. Normally, unlike a general partnership, a partner does not have personal liability for the negligence of another partner. A foreign LLP is a partnership that is formed under laws other than the laws of Washington and has the status of an LLP under those laws. All LLPs are required to register with the OSOS.

Corporations Sole. A corporation sole is a legal entity through which religious organizations can hold property and conduct business for the benefit of that organization. Corporations sole enable religious leaders to be incorporated for the purpose of ensuring the continuation of ownership of property dedicated to the benefit of a legitimate religious organization. Generally, creditors of a corporation sole may not look to the assets of the individual holding the office, nor may the creditors of the individual look to the assets held by the corporation sole.

Summary: Limited Liability Companies. The Limited Liability Companies Act is amended to change the requirements for the reinstatement of administratively or voluntarily dissolved LLCs. If the LLC was dissolved administratively, an LLC may apply to the Office of the Secretary of State (OSOS) for reinstatement within five years after the effective date of dissolution. If the LLC was dissolved voluntarily, the LLC may apply for reinstatement within 120 days after the effective date of dissolution.

Limited Liability Partnerships. Provisions are added to establish requirements for designating a registered agent and making changes to an LLP's registered office or agent. A registered agent must be an individual who is a Washington resident or a person authorized to do business in Washington. Registered agents are authorized to accept service of process on behalf of an LLP. If a registered agent wants to resign, the agent must notify the OSOS. When an LLP's registered agent cannot be found after reasonable diligence, the OSOS is authorized to accept service on behalf of the LLP. These requirements also apply to foreign LLPs.

Corporations Sole. Existing corporations sole registered with the OSOS are required to file an annual report with a $10 filing fee. The OSOS is required to notify each corporation sole of the requirement to renew annually.

A corporation sole that fails to file an annual report may be administratively dissolved or have its certificate of authority revoked by the OSOS. When exigent or mitigating circumstances are presented, the OSOS must reinstate an administratively dissolved corporation sole if the corporation sole files a statement to request relief within five years of the missed filing or lapse. The statement must set forth: the nature of the missed filing or lapse; the circumstances of the missed filing or lapse; that disproportionate harm would occur if relief was not granted; and the relief sought.

The OSOS is required to keep all requests for reinstatement and the disposition of the requests. The OSOS will report to the Legislature annually the number of relief requests received in the preceding year and a summary of the disposition of the requests.

Effective August 1, 2009, a corporation sole may not be formed.

Votes on Final Passage:

House	94	0	
Senate	43	3	(Senate amended)
House			(House refuses to concur)
Senate	43	3	(Senate amended)
House	93	0	(House concurred)

Effective: July 26, 2009

HB 1596
C 164 L 09

Protecting a woman's right to breastfeed in a place of public resort, accommodation, assemblage, or amusement.

By Representatives Green, Hunt, Hudgins, Williams, Rolfes, Morrell, Campbell, Roberts, Kagi, Dickerson, Goodman, Upthegrove, Simpson, Moeller, Ormsby and Nelson.

House Committee on State Government & Tribal Affairs
Senate Committee on Government Operations & Elections
Senate Committee on Health & Long-Term Care

Background: Washington's Law Against Discrimination prohibits discrimination against a person in the enjoyment of public accommodations, in employment, in real estate transactions, insurance, and credit transactions, and other specific circumstances based on the person's race, creed, color, national origin, sex, military or veteran status, sexual orientation, the presence of any sensory, mental, or physical disability or, in certain circumstances, other factors. Discriminatory acts are considered unfair practices and may be the subject of complaints brought to the Washington Human Rights Commission or filed in court.

The prohibition against discriminating in providing public accommodations applies to "any place of public resort, accommodation, assemblage, or amusement" and includes restaurants, hotels, motels, inns, stores, markets, shopping malls, theaters, cinemas, concert halls, arenas, parks, fairs, arcades, libraries, schools, government offices, and hospitals.

According to the National Conference of State Legislatures' summary of states' breastfeeding laws, Washington is one of 25 states that expressly declares the act of breastfeeding or expressing breast milk not to be indecent exposure under state criminal laws. Washington is one of 21 states that address breastfeeding in the workplace. Washington allows a public or private employer to use the designation "infant-friendly" if it provides flexible work schedules and clean, appropriate facilities for breastfeeding and expressing breast milk. Forty states other than Washington have laws with language that allow women to breastfeed in public and private locations.

Summary: Washington's Law Against Discrimination includes the right of a mother to breastfeed her child in any place of public resort, accommodation, assemblage, or amusement. Discriminating against a woman based on her status as a mother breastfeeding her child is an unfair practice under the state's Law Against Discrimination.

Votes on Final Passage:

House	93	0
Senate	46	0

Effective: July 26, 2009

EHB 1616
C 523 L 09

Addressing the state pension benefits of certain domestic partners.

By Representative Simpson.

House Committee on Ways & Means
Senate Committee on Ways & Means

Background: In 2007 domestic partnership registry was created in the Office of the Secretary of the State (OSOS). Couples may register as domestic partners if they meet certain criteria and if the parties are the same sex or one of the parties is at least 62 years old. At the time the registry was created, state registered domestic partnerships could be terminated by either party by filing a notice of termination with the OSOS.

The 2007 legislation extended to domestic partners certain rights and responsibilities that are granted to or imposed on spouses. Those rights and responsibilities generally involved areas of law dealing with health care decision-making, hospital visitation, powers of attorney, and death and burial issues. In addition, the 2007 legislation provided that a certificate of domestic partnership issued by the OSOS fulfills the eligibility requirements for a same-sex partner of a public employee to receive benefits under the Public Employees Benefits Board (PEBB). In 2008 legislation extended more rights and responsibilities to state registered domestic partners. The legislation amended statutes related to dissolutions, community property, estate planning, taxes, court process, service to indigent veterans and other public assistance, conflicts of interest for public officials, and guardianships.

The Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) provides retirement benefits to full-time general authority law enforcement officers and firefighters throughout Washington. All employees first employed in LEOFF-eligible positions since 1977 have been enrolled in LEOFF Plan 2, which allows for an unreduced retirement allowance at age 53. The LEOFF Plan 2 permits early retirement beginning at age 50 for members with 20 years of service with a 3 percent per year reduction to their retirement allowance.

The LEOFF Plan 2 provides that at retirement married members must select an allowance that continues 50 percent of their benefit to their surviving spouse upon their death, or provide the written consent of their spouse. If a member selects a single-life benefit that ceases upon the member's death, and the member dies prior to the payment of benefits equaling the member's accumulated contributions plus interest, the remaining amount of contributions plus interest are paid first to the member's surviving spouse.

Members of LEOFF Plan 2 that marry after retirement also have the opportunity to create a survivor benefit for their new spouse for one year following the date of the postretirement marriage.

The spouse of a LEOFF Plan 2 member that dies with fewer than 10 years of service is entitled to a withdrawal of the member's contributions plus interest. If the member earned 10 or more years of service, the spouse may choose a survivor annuity (actuarially reduced unless the member was killed in the course of employment) or a lump-sum benefit equal to 150 percent of the members accumulated contributions.

If a member of LEOFF Plan 2 leaves retirement system-covered employment to enter the Uniformed Services of the United States and dies while serving, the spouse or eligible child of the deceased member may purchase military service credit for the period between the date when the member left service and the date of death. This purchased service credit would add to the survivor benefit that would be paid from LEOFF Plan 2.

The PEBB offers the surviving spouses and dependent children of emergency service personnel killed in the line of duty the right to participate in the health and related insurance plans and products that are offered to active and retired public employees. These survivors are permitted to participate in the risk pool comprised of active employees and retirees not yet eligible for Medicare until such time as the survivors are eligible for Medicare, when they are then placed in a separate risk pool but receive the same retiree subsidy as other Medicare-eligible participants. The surviving spouses and dependents of LEOFF Plan 2 members are reimbursed for any premium payments made to the PEBB.

Summary: State registered domestic partners of emergency service personnel killed in the line of duty are eligible to participate in PEBB insurance plans under the same terms as the spouses of deceased personnel.

Domestic partners for purposes of LEOFF Plan 2 are those that have registered as state domestic partners.

Qualified domestic partners are eligible for the same pension and PEBB access and reimbursement benefits provided to spouses of members of LEOFF Plan 2. These include retirement and disability survivor benefits, military service credit benefits, and withdrawal and annuity benefits upon a member's death.

Votes on Final Passage:

House	60	35
Senate	29	19

Effective: July 26, 2009

ESHB 1619

C 460 L 09

Concerning the use of capital projects funds by school districts.

By House Committee on Capital Budget (originally sponsored by Representatives White, Kenney, Sullivan, Carlyle, Nelson, Hasegawa, Liias, Green, Miloscia, Orwall, Maxwell and Simpson).

House Committee on Capital Budget
Senate Committee on Ways & Means

Background: By law, school districts must establish a capital projects fund for major capital purposes. Proceeds from bond sales, capital fund investments, state forest revenues, and two- to six-year levies for construction, modernization, or remodeling of school facilities (capital levies) are deposited into the capital projects fund. Monies in the capital projects fund may be used for specific purposes, including:

- major renovation, including the replacement of facilities and systems where periodic repairs are no longer economical;
- energy audits and energy capital improvements;
- purchase of major items of equipment (except vehicles);
- costs associated with implementing technology systems; and
- costs associated with the modernization of technology systems for operations and instruction (added in 2007).

School districts pay for maintenance and other technology costs from their general fund using state allocations for non-employee related costs and any local maintenance and operation levies, which are subject to a levy lid. Under the State Constitution and statute, capital levies may be authorized for up to six years. There is no levy lid for capital levies.

The Joint Legislative Task Force on School Construction Funding (Task Force) was created in the 2007 State Capital Budget to comprehensively review and evaluate school construction funding issues. The Task Force recommended in its December 2008 report that the state should "expand the list of activities such as painting, major equipment repair or other major preventative maintenance purposes, that may be funded with local six-year school district capital levy revenues."

Summary: The authorized uses of school districts' capital projects funds are expanded to include major equipment repair, painting of facilities, or other major preventative maintenance purposes. These purposes are also added to allowable uses of capital levy funds.

The definition of major renovation and replacement is clarified, and the following activities are added to the definition: major repairs, replacement and refurbishing of

roofing, exterior painting, exterior walls, windows, and plumbing systems.

A school district using capital projects funds for these purposes must transfer the funds to the district's general fund. The Office of the Superintendent of Public Instruction must develop accounting guidelines for these transfers.

The new use of capital projects funds may not replace school districts' routine expenditures for maintenance.

Votes on Final Passage:

House	96	0	
Senate	47	0	(Senate amended)
House			(House refuses to concur)
Senate	49	0	(Senate amended)
House	94	0	(House concurred)

Effective: July 26, 2009

SHB 1621

C 120 L 09

Regulating the business practices of consumer loan companies for compliance with the secure and fair enforcement for mortgage licensing act of 2008.

By House Committee on Financial Institutions & Insurance (originally sponsored by Representatives Kirby, Bailey, Rodne, Nelson, Simpson and Moeller).

House Committee on Financial Institutions & Insurance
House Committee on General Government Appropriations
Senate Committee on Financial Institutions, Housing & Insurance

Background: The Consumer Loan Act (CLA) authorizes the Department of Financial Institutions (DFI) to regulate consumer loan companies doing business in Washington. Consumer loan companies include mortgage lenders and consumer finance companies. Retail installment contracts are exempt from the CLA. The officers and principals for an applicant for a license under CLA must undergo a background check for criminal activities and any disciplinary activities related to a license. Licensees must maintain specific bond amounts using a base figure of $100,000 and increasing the amount based in part on number of locations.

The DFI currently requires all consumer loan companies to file license applications through the Nationwide Mortgage Licensing System (NMLS). The NMLS was created in 2004 by the Conference of State Bank Supervisors and the American Association of Residential Mortgage Regulators. The NMLS began operations in January of 2008. According to the NMLS, 42 states are current members or have signed a Statement of Intent regarding their participation in the NMLS.

On July 30, 2008, President Bush signed House Resolution 3221 (P.L. 110-289). Title V of House Resolution 3221 is referred to as the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (SAFE Act). Under the SAFE Act, all states must have a system of licensing in place for residential mortgage loan originators by August 1, 2009, that meets national definitions and minimum standards, including:

- criminal history and credit background checks;
- pre-licensure education;
- pre-licensure testing;
- continuing education;
- net worth, surety bond or recovery fund; and
- licensing mortgage loan originators through a Nationwide Mortgage Licensing System and Registry (NMLS&R).

The Secretary of the U.S. Department of Housing and Urban Development is required to establish and maintain a backup licensing and registration system for loan originators operating in a state that:

- does not have a licensing and registering system for loan originators that meets the requirements of the SAFE Act; or
- does not participate in the NMLS&R.

Summary: The 17 definitions in the chapter are struck. Twenty-five new definitions are created. Several of the new definitions are the same as, or a modified version of, the existing definition. The definition of "loan originator" is struck. A new definition of "mortgage loan originator" is created.

The following persons or entities must also be licensed under the CLA:

- a mortgage loan originator, including an independent contractor; and
- consumer loan companies.

Applications for a CLA license must be made through the NMLS&R. An application for a license must include fingerprints and other specific background information. The Director of the DFI (Director) may adopt rules regarding licensing.

Applicants must use a form prescribed by the Director. The Director may establish contracts with the NMLS&R to collect and maintain records and fees related to licensees.

The information required for a mortgage loan originator applicant is established. The process for submitting and issuing a license is established.

A mortgage loan originator license applicant must:

- complete minimum pre-licensing education requirements approved and administered by the NMLS&R; and
- pass a test developed by the NMLS&R and administered by a provider approved by the NMLS&R.

No license may be renewed without meeting minimum continuing education requirements approved and

administered by the NMLS&R. The Director must establish other standards by rule for license renewal.

The Director must establish a process for licensees to challenge the information entered into the NMLS&R by the Director.

A CLA licensee must maintain a minimum bond amount of $30,000. The bond amount may be greater depending on the dollar amount of loans originated by the licensee.

The information and materials used for the NMLS&R are subject to existing state and federal privacy laws even after being provided to the NMLS&R. Information may be shared by the Director with other governmental agencies and regulatory associations without a loss of any privilege or confidentiality under the law.

Each mortgage loan originator is assigned a number that serves as a unique identifier. The unique identifier must be on all residential mortgage forms, advertising, and solicitations.

A licensee must provide the same disclosure required for a residential mortgage loan for any loan secured by a lien on real estate.

Specific entities and their employees are exempt from the CLA.

The Director may waive the applicability of the CLA. The Director may adopt rules regarding the applicability of the CLA.

The Director may:

- contract for an array of legal and financial services to investigate, examine or audit a licensee;
- enter into agreements with other government officials and with regulatory organizations;
- accept or rely on investigations and examinations from other government officials;
- accept audit reports from independent certified public accountants; and
- assess a licensee for the costs of an examination, investigation or audit.

Votes on Final Passage:

House	97	0
Senate	41	3

Effective: July 26, 2009
January 1, 2010 (Section 5)
July 1, 2010 (Sections 10-14, 16-19, 21-25, and 27-29)

HB 1640

C 1640 L 09

Modifying disclosure requirements for private investment information received by the University of Washington consolidated endowment fund.

By Representatives Kessler, Armstrong, Hunt, Sells, Alexander, Appleton and Kenney; by request of University of Washington.

House Committee on State Government & Tribal Affairs
Senate Committee on Higher Education & Workforce Development

Background: The Public Records Act (PRA) requires that all state and local government agencies make all public records available for public inspection and copying unless the records fall within certain statutory exemptions. The provisions requiring public records disclosure must be interpreted liberally and the exemptions interpreted narrowly in order to effectuate a general policy favoring disclosure.

Statutory exemptions are provided for certain financial, commercial, and proprietary information. For example, the PRA exempts from disclosure financial and commercial information supplied to the State Investment Board when the information relates to the investment of public trust or retirement funds and when the disclosure would result in loss to such funds or in a private loss to the providers of the information.

Summary: It is the intent of this act to clarify the provisions governing disclosure of information related to the University of Washington's (University) endowment fund.

The University must disclose the names and commitment amounts of private funds in which it is invested. In addition, the University must disclose the aggregate quarterly performance results for its portfolio of investments in such funds.

The University is required to adopt formal policies addressing conflicts of interest in regard to the private funds in which the endowment is invested. These formal policies must be posted on the University's public website.

An exemption to the PRA is added for financial and commercial information submitted to or obtained by the University when the information relates to investment in private funds, to the extent that such information, if revealed, would reasonably be expected to result in loss to the University's consolidated endowment fund or to result in private loss to the providers of this information.

Votes on Final Passage:

House	95	1	
Senate	44	0	(Senate amended)
House	94	3	(House concurred)

Effective: July 26, 2009

SHB 1663
C 165 L 09

Creating relocation assistance rights for nontransient residents of hotels, motels, or other places of transient lodging that are shut down by government action.

By House Committee on Judiciary (originally sponsored by Representatives Goodman, Springer, Simpson, Roberts, Miloscia, Nelson, Ormsby and Santos).

House Committee on Judiciary
Senate Committee on Financial Institutions, Housing & Insurance

Background: If a governmental agency notifies a landlord that a dwelling is condemned or unlawful to occupy due to the existence of conditions that violate applicable codes or regulations, the landlord may not enter into any rental agreement for the dwelling until the conditions are corrected. If the landlord enters into a rental agreement with a new tenant prior to correcting the conditions, the tenant is entitled to three months rent or up to treble the actual damages sustained. The tenant is also entitled to the costs of suit or arbitration and reasonable attorneys' fees. If the tenant elects to terminate the tenancy or is required by an appropriate governmental agency to vacate the premises, the tenant may recover the entire amount of any deposit paid to the landlord and all prepaid rent.

A landlord who knew or should have known that a dwelling would be condemned or be unlawful to occupy is required to pay relocation assistance to displaced tenants. Relocation assistance consists of the following:

- the greater of $2,000 per dwelling unit or three times the monthly rent; and
- the entire amount of any deposit prepaid by the tenant and all prepaid rent.

Landlords must pay relocation assistance and any prepaid deposit or rent to displaced tenants within seven days of the governmental agency sending notice of the condemnation, eviction, or displacement order. The landlord may pay relocation assistance to the displaced tenants individually or to the governmental agency ordering the condemnation or eviction. A local government may advance the cost of relocation assistance payments and assess interest and penalties if a landlord fails to pay displaced tenants in a timely manner. The governmental agency that notifies a landlord of condemnation must notify the displaced tenants that they may be entitled to relocation assistance.

Relocation assistance is not required to be paid by the landlord if the condemnation or no occupancy order results from conditions:

- caused by illegal conduct by a tenant or any third party without the landlord's prior knowledge;
- arising from a natural disaster; or
- created by the acquisition of the property by eminent domain.

Summary: A person who has lived in a hotel, motel, or other place of transient lodging for 30 or more consecutive days is deemed to be a tenant for the purpose of relocation assistance even though the living arrangements are exempt from the Residential Landlord-Tenant Act. The tenant living in a place of transient lodging must be there with the knowledge and consent of the owner, manager, clerk, or other agent representing the owner. Landlords providing transient lodging must pay relocation assistance directly to displaced tenants.

An interruption in occupancy primarily intended to avoid relocation assistance does not affect the eligibility of the person residing in a place of transient lodging to receive relocation assistance. An oral or written occupancy agreement that waives the right of a transient tenant to receive relocation assistance is against public policy and unenforceable.

Votes on Final Passage:

House	72	24
Senate	29	18

Effective: July 26, 2009

ESHB 1664
C 232 L 09

Addressing the termination, cancellation, or nonrenewal of motorsports manufacturer and dealer franchise agreements.

By House Committee on Commerce & Labor (originally sponsored by Representatives Wood, Conway, Hinkle and Ormsby).

House Committee on Commerce & Labor
Senate Committee on Labor, Commerce & Consumer Protection

Background: Many aspects of the franchise relationship between motorsports vehicle manufacturers and motorsports vehicle dealers are regulated by the Department of Licensing (Department). "Motorsports vehicles" are defined as motorcycles, mopeds, snowmobiles, personal watercraft, and four-wheel all-terrain vehicles.

Prior to the termination, cancellation, or nonrenewal of a franchise, a manufacturer must give written notice to the Department and the dealer. If the manufacturer terminates, cancels, or fails to renew a franchise, the manufacturer must pay the dealer:

- the dealer cost of unused, undamaged, and unsold new motorsports vehicles;
- the dealer cost for all unused, undamaged, and unsold supplies, parts, and accessories in original packaging;
- the dealer cost for all unused, undamaged, and unsold inventory;

- the fair market value of each undamaged sign owned by the dealer that bears a common name, trade name, or trademark of the manufacturer; and
- the fair market value of all special tools owned or leased by the dealer.

The manufacturer must pay the specified sums within 90 days after the tender of the property, if the dealer has clear title to the property and is in a position to convey that title to the manufacturer. To the extent the franchise agreement provides for payment or reimbursement to the dealer in excess of that specified by law, the provisions of the franchise agreement will control.

Summary: The manufacturer is required to pay specified sums to the dealer upon the termination, cancellation, or nonrenewal of a franchise regardless of who initiated it.

The manufacturer must pay the dealer the specified sums within 90 days after the termination, cancellation, or nonrenewal of the franchise if the dealer has clear title to the property, or can provide clear title to the property upon payment by the manufacturer, and is in a position to convey that title to the manufacturer.

Manufacturers are only required to repurchase motorsports vehicles that were acquired by the dealer in the ordinary course of business.

Votes on Final Passage:

House	97	0
Senate	43	0

Effective: July 26, 2009

HB 1675

C 166 L 09

Changing the work experience provisions of the alternative route partnership grant program.

By Representatives Sells, Anderson, Wallace, Upthegrove and Kenney.

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

Background: The Alternative Routes Partnership Grant Program, established in 2001, is operated by the Professional Educator Standards Board with the Higher Education Coordinating Board as fiscal agent. It provides support for the formation of partnerships between school districts and higher education teacher preparation programs to offer one or more of four school-based alternative routes to teacher certification. The programs are aimed at experienced paraeducators and mid-career professionals with expertise in subject areas in which Washington has shortages, such as math, science, and special education.

There are nine alternative route programs (programs) that serve mid-career professionals, paraeducators, classified instructional staff, and conditional certificate holders in the following areas of the state:

- Mt. Vernon, Skagit Valley, and Everett;
- Seattle/Tacoma;
- Olympia/South Sound;
- Yakima Valley; and
- a new alternative route program will open in the Tri Cities area in June of 2009.

The programs are typically more intensive and shorter in length than traditional teacher certification routes, based on mentored internships and on-site training. As of June 2008, 688 people have transitioned to a new career teaching in statewide and geographic shortage areas through the Alternative Routes to Teaching Program. Ninety-seven percent of alternative route candidates have entered Washington's teaching force upon completion of their programs.

Programs geared toward experienced paraeducators (routes one and two) require that candidates have three years of "successful student interaction" before entry into the program. Programs aimed at "career changers" (routes three and four) require five years of work experience for entry into the program.

Summary: Work experience requirements for teacher candidates pursuing residency teacher certification through alternative certification routes one and two are decreased from three years to one year.

Work experience requirements for candidates pursuing residency teacher certification through alternative certification routes three and four are removed.

Votes on Final Passage:

House	97	0
Senate	45	0

Effective: July 26, 2009

HB 1678

C 95 L 09

Providing a minimum retirement allowance for members of the law enforcement officers' and firefighters' retirement system plan 2 who were disabled in the line of duty before January 1, 2001.

By Representatives Van De Wege, Simpson, Ericks, Williams, Kelley, Sells, Ross, Hope and Conway; by request of LEOFF Plan 2 Retirement Board.

House Committee on Ways & Means
Senate Committee on Ways & Means

Background: Members of the Law Enforcement Officers' and Fire Fighters' Retirement System, Plan 2 (LEOFF 2) are eligible for a retirement allowance of 2 percent of average final salary for each year of service credit earned at age 53. Members of LEOFF 2 may apply for early retirement beginning at age 50; however, the

member's benefit is reduced by 3 percent per year below age 53 if the member has 20 or more years of service, and fully actuarially reduced if the member has less than 20 years of service.

If a member becomes disabled for a non-duty related reason, a member may receive a retirement allowance based on the 2 percent of average final salary formula that is actuarially reduced from age 53 to the age at disability.

In 2004 House Bill 2418 was enacted, which increased disability benefits for LEOFF 2 members disabled in the line of duty beyond those provided for non-duty disabilities. As a result of HB 2418, a member of LEOFF 2 who leaves service as a result of a line of duty disability is eligible to receive a retirement allowance of at least 10 percent of final average salary. This fixed 10 percent of pay duty disability benefit is not subject to federal income tax. In addition to the 10 percent of pay, the disabled member receives a 2 percent per year of service disability benefit for each year of service earned beyond five years. This service-related portion of the disability benefit is subject to federal income tax. In 2005 the enactment of Substitute Senate Bill 5615, removed the requirement that the 2 percent per year of service earned disability benefit be actuarially reduced for the difference between age 53 and the member's age at retirement, making the disability benefit unreduced for age.

A member of LEOFF 2 who leaves service as a result of a line of duty disability or after earning 10 or more years of service may also request a refund of 150 percent of the member's accumulated contributions. A member with fewer than 10 years of service may request 100 percent of the member's contributions. In either case, a member who requests a refund of contributions is ineligible for a disability or service retirement allowance.

In addition to disability benefits from the retirement system, members of LEOFF 2 (unlike members of LEOFF 1) are eligible for job-related disability, medical, and death benefits from the Workers' Compensation System administered by the Department of Labor and Industries.

Summary: Members of the Law Enforcement Officers' and Firefighters' Retirement System Plan 2 that were disabled in the line of duty before January 1, 2001, and are receiving a disability allowance are permitted to convert their disability allowance to include a fixed 10 percent of final average salary benefit, plus an actuarially reduced benefit for each year of service earned beyond five years. The resulting disability allowance may not be greater than the member's original benefit unless the original benefit was less than 10 percent of final average salary. The 10 percent of pay fixed line of duty disability benefit is not subject to federal income tax.

Votes on Final Passage:

House	97	0
Senate	44	0

Effective: July 26, 2009

HB 1682

C 96 L 09

Concerning horticultural pest and disease boards.

By Representatives Newhouse, Kretz, Chandler, Upthegrove, Johnson and Ross.

House Committee on Agriculture & Natural Resources
Senate Committee on Agriculture & Rural Economic Development

Background: All counties, either on the initiative of the county legislative authority or upon the petition of 25 county residents, are permitted to create horticultural pest and disease boards (boards). The boards are empowered to field complaints concerning pest and horticultural disease infestations in the county, inspect any parcel in the county for pests or disease, and order landowners to control and prevent pests. Boards are also authorized to conduct pest and disease control operations on private property and charge the landowner for the expense.

All boards have five voting members, four who are appointed by county commissioners and one who is appointed by the Director of the Washington State Department of Agriculture. Four of the appointees must own land in the county, live in the county, and be involved in the primary and commercial production of horticultural products. The fifth appointee must possess a practical knowledge of horticultural diseases and pests. Board members serve two-year terms without salary.

Summary: If no qualified candidates live in the county, a non-resident who owns property in the county and is involved in the primary and commercial production of horticultural products may be appointed to a board.

Votes on Final Passage:

House	97	0
Senate	45	0

Effective: July 26, 2009

SHB 1692

C 167 L 09

Addressing the authority of the board of directors of a public facilities district.

By House Committee on Community & Economic Development & Trade (originally sponsored by Representatives Driscoll, Wood, Crouse and Ormsby).

House Committee on Community & Economic Development & Trade
Senate Committee on Government Operations & Elections

Background: A public facilities district (PFD) may be created upon adoption of a resolution of the legislative authority of a county or of certain cities or towns, with or without their contiguous counties, in which the proposed

district is located. A PFD is a municipal corporation and an independent taxing authority. A PFD is a corporate body and possesses all the usual powers of a corporation for public purposes or powers specially conferred by statute.

A PFD is authorized generally to acquire, construct, and operate regional centers, sports facilities, entertainment facilities, and convention facilities, together with contiguous parking facilities. In addition, the county PFDs formed after January 1, 2000, may acquire, construct, and operate recreation facilities other than ski areas.

A PFD is governed by an appointed board of directors (Board) with specified statutory authority. Among other things, the Board may authorize expenditures for informing the general public and for promoting or advertising the district's facilities, as long as the information for the public is not for the purpose of influencing the outcome of a district election.

Local governments are prohibited, under Article VIII, section 7 of the State Constitution, from giving money to private persons or entities (except for support of the poor or infirm). In 1965 the Washington Supreme Court (Court) considered whether promotional hosting of prospective customers by the Port of Seattle constituted a gift of public funds in violation of this constitutional provision. The Court found, under the facts of that case, that the hosting was without consideration and was therefore a gift. In 1966 the voters approved an amendment to the State Constitution to allow promotional hosting by port districts.

In more recent cases, the Court has reviewed both the donor's intent and legal consideration when determining whether a challenged public expenditure is a gift of public funds.

Summary: A city or county PFD Board must identify, in its annual budget, proposed expenditures for promotional activities. It must adopt written rules governing promotional hosting by its employees, agents, and the Board, including requirements for identifying and evaluating the public benefits to be derived and documenting the public benefits realized.

Votes on Final Passage:

House	94	3	
Senate	45	1	

Effective: July 26, 2009

ESHB 1694

C 4 L 09

Addressing fiscal matters for the 2007-2009 biennium.

By House Committee on Ways & Means (originally sponsored by Representatives Linville, Moeller, Hunter and Darneille).

House Committee on Ways & Means
Senate Committee on Ways & Means

Background: The state government operates on a fiscal biennium that begins July 1 of each odd-numbered year. The 2007-09 biennial operating budget appropriated $33.7 billion from the state General Fund and several other accounts, referred to as Near General Fund–State. The total budgeted amount, which includes state and federal funds, was $57.2 billion.

Summary: Appropriations are modified for the 2007-09 biennium. This bill reduces Near General Fund–State appropriations by $635 million. Total budgeted funds are decreased by $344 million.

Votes on Final Passage:

House	83	13	
Senate	30	18	(Senate amended)
House	80	14	(House concurred)

Effective: February 18, 2009

E2SHB 1701

C 509 L 09

Authorizing the department of information services to engage in high-speed internet activities.

By House Committee on Ways & Means (originally sponsored by Representatives Hudgins, McCoy and Hasegawa).

House Committee on Technology, Energy & Communications
House Committee on Ways & Means
Senate Committee on Economic Development, Trade & Innovation
Senate Committee on Ways & Means

Background: Federal Broadband Efforts. In 2008 the U.S. Congress passed the Broadband Data Improvement Act (BDIA). Part of the BDIA directed the Secretary of Commerce to make competitive grants available to states to support identification and tracking of availability and adoption of broadband services. Any competitive grants awarded would require a 20 percent match of non-federal funding.

The BDIA also required the Federal Communications Commission (FCC) to provide eligible entities with electronic access to aggregate data collected by the FCC from broadband service providers. "Eligible entity" is defined as an entity that is: (1) either a state agency or

instrumentality of the state, a nonprofit organization, or certain independent agencies; and (2) the single eligible entity designated by the state to receive such a grant.

The American Reinvestment and Recovery Act (ARRA) of 2009 provides $4.7 billion in broadband funding through the Broadband Technology Opportunities Program (Program). The Program specifically provides: $3.9 billion for infrastructure; $250 million for competitive grants to encourage sustainable adoption of broadband service; $200 million for expanding public computer center capacity; and $350 million for the BDIA grant program and development of a national broadband inventory map. In addition, the ARRA provides $2.5 billion for distance learning, telemedicine, and a broadband grant program.

State Broadband Efforts. In 2008 the Department of Information Services (DIS) was directed to convene a High-Speed Internet Strategy Work Group (Work Group) to identify and develop strategies for high-speed internet deployment and adoption. The DIS and the Work Group released its strategy in December of 2008. The strategy included several recommendations, including recommendations that the state: (1) authorize the DIS to coordinate implementation of the high-speed internet deployment and adoption strategy; and (2) provide initial funding to support implementation.

Legislation in 2008 created the Community Technology Opportunity Program (CTOP). The Program is administered by the Washington State University Extension. The CTOP administrator provides organizational, capacity-building, and fund-raising support for community technology programs throughout the state. A minimum of 75 percent of the CTOP funds are to be distributed through a competitive grant program. The grants are to be used by community technology programs to provide assistance in use of information and communication technologies among low-income and underserved residents, training, and other information technology-related services.

Summary: The Governor may take all appropriate steps to carry out the purposes of the American Recovery and Reinvestment Act (ARRA) and to maximize investment in broadband deployment and adoption in the state. Such steps may include designating a broadband coordinator, reviewing and prioritizing grant applications, disbursing block grant funding, and providing direction to state agencies to carry out broadband programs.

The Department of Information Services (DIS) may oversee implementation of federally funded or mandated broadband programs for the state and adopt rules to administer the programs. Subject to the availability of federal or state funding, the DIS may: (1) develop an interactive website to allow residents to self-report where high-speed internet is available; and (2) conduct a survey of high-speed internet owned or leased by state agencies and create a geographic information system map.

The DIS is designated as an eligible entity for purposes of the federal Broadband Data Improvement Act. The DIS may receive federal funds for broadband. Any funds received must be spent consistent with federal and state law and any conditions on the grant of those funds.

Based on publicly available data collected by the Federal Communications Commission (FCC), the DIS is authorized to conduct a competitive bidding process to procure a geographic information system map of high-speed internet infrastructure, service availability, and adoption. The DIS may procure this map by purchasing a completed map from a third party or working directly with the FCC to accept publicly available high-speed internet data. In contracting for the purchase of the map, the DIS may not impose any condition on a third party that causes any record submitted by a broadband service provider to the third party to meet the standard of a public record.

In coordination with the Department of Community, Trade and Economic Development (DCTED) and the Utilities and Transportation Commission (UTC), the DIS may prepare reports that identify: (1) the geographic areas of greatest priority for the deployment of advanced telecommunications infrastructure in the state; (2) how federal broadband funding received for mapping, deployment and adoption will be or has been used; and (3) how nonfederal sources may be used for broadband activities in the state.

Subject to the availability of federal or state funding, the DIS may reconvene the 2008 High-Speed Internet Strategy Work Group (Work Group). The Work Group is renamed the Council on Digital Inclusion (Council). The Council must prepare a report by January 15 of each year on: (1) how a variety of high-speed internet access alternatives could be established; (2) strategies for continued broadband deployment and adoption efforts and development of advanced telecommunications applications; (3) methods to maximize the state's capacity for development of advanced telecommunications applications and methods to stimulate demand for them; (4) barriers to the advancement of technology entrepreneurship; and (5) the performance of digital literacy and computer access programs.

The Community Technology Opportunity Program is transferred from Washington State University to the DIS.

The Community Technology Opportunity Account is expanded to accept federal broadband funding authorized under the American Recovery and Reinvestment Act of 2009, legislative appropriations, and donated funds from private and public sources for purposes related to broadband deployment and adoption.

The Broadband Mapping Account is created in the custody of the State Treasurer. The DIS must deposit into the Broadband Mapping Account legislative appropriations, federal grants authorized under the federal BDIA, and donated funds from private and public sources.

Provisions that restrict the DIS or other government entities from collecting certain high-speed internet infrastructure information are repealed.

Votes on Final Passage:

House	93	2	
Senate	45	0	(Senate amended)
House			(House refuses to concur)
Senate			(Senate insists)
House	96	0	(House concurred)

Effective: July 1, 2009

ESHB 1709

C 510 L 09

Providing fee and installment plan assistance for borrowers at risk of default on small loans.

By House Committee on Financial Institutions & Insurance (originally sponsored by Representatives Nelson, White, Cody, Carlyle, Orwall, McCoy, Darneille and Ormsby).

House Committee on Financial Institutions & Insurance
Senate Committee on Labor, Commerce & Consumer Protection

Background: Payday Loans. Small loans (better known as "payday loans") are regulated by the Department of Financial Institutions (DFI) under the Check Cashers and Sellers Act (Act). The Act contains provisions for the licensing and regulation of businesses offering services related to check cashing and the selling of money orders, drafts, checks, and other commercial paper. The Act regulates payday lending practices and provides for regulation of licensees who are specifically authorized to issue small loans.

The phrase "payday loan" refers to a type of short-term, unsecured loan that is typically offered to consumers by a business outlet offering check cashing services. In a typical payday loan transaction, the borrower writes the lender a post-dated check and, in return, the lender provides a lesser amount of cash to the consumer after subtracting interest and fees. Following this initial transaction, the lender holds the check for a specified period, during which the consumer has the option of either redeeming the check by paying the face amount to the lender or allowing the lender to cash the check after the loan period has expired.

Terms of Payday Loans. No lender may lend more than $700 to a single borrower at any one time. The lender may charge up to 15 percent for the first $500. If the borrower has a loan in excess of $500, the lender may charge up to 10 percent on the amount over $500. For example, a lender could charge up to $30 for a $200 loan or up to $85 for a $600 loan.

There is no minimum loan term for a payday loan. There is a statutory maximum loan term of 45 days.

Right of Rescission. A borrower may rescind a loan, on or before the close of business on the next business day at the location where the loan was made. The borrower must return the principal in cash or the original check of the licensee. A licensee may not charge the borrower a fee for rescinding the loan and must return any postdated check taken as security for the loan or any electronic equivalent.

Payment Plan. Borrowers and lenders may agree to a payment plan for payday loans. After four successive loans, and prior to default on the last loan, a borrower is entitled to convert his or her loans into a payment plan with the lender. A payment plan is subject to the following conditions:

- a written agreement is required;
- the lender may charge the borrower a one-time fee in an amount up to the fee or interest on the outstanding principal;
- the agreement must allow the buyer not less than 60 days to pay off the loan; and
- the borrower must be allowed to pay off the loan in at least three payments.

Recordkeeping. Under the Act, licensees must maintain business books, accounts, and records. The books and accounts must be maintained for at least two years after a transaction. The DFI also has statutory authority to examine books, accounts, records, and files, or other information of licensees and persons that the agency has reason to believe is engaging in the business governed by the Act.

Agency Enforcement. The Director of the DFI may impose sanctions against any:

- licensee;
- applicant; or
- director, officer, sole proprietor, partner, controlling person, or employee of a licensee.

Sanctions may include:

- the denial, revocation, suspension, or conditioning of a license;
- an order to cease and desist from specific practices;
- the imposition of a fine not to exceed $100 per day for each day's violation;
- the provision of restitution to borrowers or other injured parties; and
- the removal from office or banning from participation in the affairs of any licensee.

Consumer Protection Act. A violation of the Act is a violation of the Consumer Protection Act (CPA). Remedies under the CPA do not affect any other remedy available to an injured party.

In a suit for a CPA violation, an injured party may sue for:

- the actual damages sustained;
- the costs of the suit;
- reasonable attorney's fees; and

- additional damages in the amount of up to three times the actual damages sustained by the plaintiff. These discretionary treble damages are capped at $10,000 in superior court and $50,000 in district court.

The Attorney General may also sue to:

- prevent or restrain violations of the CPA; and
- seek restitution for persons injured by violation of the CPA.

Summary: Loan Terms. The minimum term of a loan is the borrower's next paycheck unless that is less than seven days. If it is less than seven days, the minimum term is the date of the next following pay date. A borrower may not take out more than $700 in small loans at any time from all lenders. A borrower may not borrow more than 30 percent of his or her gross monthly income.

A licensee is prohibited from making a small loan to a borrower that is in default on a small loan. This prohibition lasts until the loan is paid in full or for two years after the small loan was made, whichever is earlier. A licensee is prohibited from making a small loan to a borrower that is in an installment plan. This prohibition lasts until the installment plan is paid in full or for two years after the origination of the installment plan, whichever is earlier. A licensee is prohibited from making a small loan to a borrower if making that small loan would result in a borrower receiving more than eight small loans from all licensees in any 12-month period.

Disclosure. An application form for a small loan must disclose the installment plan to the borrower in a specified manner.

Installment Plan. The existing payment plan is eliminated. A new installment plan is created. The lender must inform the borrower that if the borrower cannot repay a loan when the loan is due, then the borrower may convert the small loan to an installment plan. The lender must convert a small loan to an installment plan at the borrower's request. A loan of up to $400 has a minimum term of 90 days for a loan with payments in substantially equal installments on or after a borrower's pay dates and at least 14 days apart. A loan of over $400 has a minimum term of 180 days with payments in substantially equal installments on or after a borrower's pay dates and at least 14 days apart. A fee is not allowed for establishing an installment plan. The borrower may pay the total at any time without a penalty. The lender must return any postdated check from the borrower for the original small loan when the borrower enters into an installment plan. A licensee may take postdated checks for the installment plan. A licensee may not charge a fee for a dishonored check in connection to an installment plan but may charge a one-time $25 fee if the borrower defaults on the installment plan.

Enforcement System. A system is authorized to enforce these provisions and other parts of the Act. The use of the system will enable a licensee to verify if the potential borrower is eligible for a small loan. The system must be available in real-time and secure against unauthorized acquisition or use, tampering, or theft. The Director of the DFI (Director) must establish the fee by rule. A lender may not charge an additional sum to recover the fee. Information in the system is exempt from public disclosure.

Report. The Director must collect and submit the following information to the Legislature:

- the number of borrowers entered into an installment plan since the effective date of this section;
- how the number of borrowers in installment plans compares to the number of borrowers in payment plans in years previous to the effective date of this section;
- the number of borrowers who have defaulted since the effective date of this section;
- the number of borrowers who have defaulted compared to the number of borrowers who defaulted in years previous to the effective date of the new installment plan; and
- any other information that the Director believes is relevant or useful.

Votes on Final Passage:

House	84	10	
Senate	40	8	(Senate amended)
House			(House refuses to concur)
Senate			(Senate insists on its position)
House			(House adheres to its position)
Senate	26	23	(Senate receded)

Effective: January 1, 2010

HB 1717

C 338 L 09

Concerning a rail line over the Milwaukee Road corridor.

By Representatives Clibborn, Armstrong, Wood, Warnick and Klippert.

House Committee on Transportation
Senate Committee on Transportation

Background: In 1980 the Milwaukee Road railroad declared bankruptcy, sold some of its properties, and salvaged its track. In 1981 the Legislature appropriated $3.5 million to purchase 213 miles of the railroad's right-of-way in eastern Washington.

The right-of-way owned by the state was eventually put under the management and control of three state agencies: the Parks and Recreation Commission, the Department of Natural Resources (DNR), and the Department of Transportation (DOT).

During the 1995 legislative interim, the Legislative Transportation Committee convened a Freight Rail and Freight Mobility Task Force to examine the Milwaukee Road corridor's potential for relieving freight congestion. The task force recommended resuming freight rail service

over the portion of the former Milwaukee Road railroad running from Ellensburg to Lind.

Legislation in 1996 consolidated state-owned portions of the former Milwaukee Road railroad from Ellensburg to Lind into a single owner, the DOT. The DOT was charged with management and control of this corridor, and was authorized to negotiate a franchise agreement with a qualified rail carrier to operate service over the line.

The legislation creating the consolidated transportation corridor was scheduled to sunset if the DOT did not enter into a franchise agreement by July 1, 1999. Management of the trail between Ellensburg and Lind would revert back to the three state agencies. In 1999 the Legislature extended the deadline for the DOT to enter into a franchise agreement to July 1, 2006. In 2006 the Legislature extended the deadline to July 1, 2009.

Summary: Portions of the rail line between Lind and Marengo are transferred to the DOT. The deadline for the DOT to enter into a franchise agreement for rail service between Ellensburg to Lind, and between Lind to Marengo, along the Milwaukee Road corridor is extended by ten years. If an agreement is not entered into by July 1, 2009, each segment of the transportation corridor will revert to its prior ownership and management by the DOT, the Parks and Recreation Commission, and the DNR.

Votes on Final Passage:

House	97	0	
Senate	45	0	(Senate amended)
House	97	0	(House concurred)

Effective: June 30, 2009

SHB 1730

C 97 L 09

Regarding the office of regulatory assistance.

By House Committee on State Government & Tribal Affairs (originally sponsored by Representatives Linville, Kretz, Ericks, Hunt, Armstrong and Short).

House Committee on State Government & Tribal Affairs
Senate Committee on Economic Development, Trade & Innovation

Background: The Office of Regulatory Assistance (ORA) provides environmental permitting assistance in navigating the permit process and provides assistance to small businesses by helping identify licensing and permitting requirements and providing other business assistance. The ORA also works to improve the regulatory process.

Under statute, the ORA is administered by the Office of the Governor but some staff is located in the Department of Ecology (DOE) and the Department of Information Services, both in Olympia and in regional offices around the state. The ORA office is staffed through interagency agreements with the other agencies and the Office of Financial Management.

The ORA provides services to its clients through a help desk that answers questions about permitting and state regulations. Regional staff facilitates, coordinates, and resolves conflicts that arise during the permitting process. The ORA acts as an informal coordinating agency for the permitting process. The ORA staff assists in the process but does not participate in permit decisions made by the permitting agencies.

The ORA may provide scoping services to project proponents at their request and may enter into cost-reimbursement agreements. These agreements provide for recovery of reasonable costs from the project proponent for the ORA and the permitting agencies. Reasonable costs do not cover hiring temporary employees.

In 2007 the ORA was subject to a sunset review by the Joint Legislative Audit and Review Committee (JLARC). The ORA was reauthorized and a new sunset date was established for 2011. The JLARC recommended that the ORA improve the tracking of its activities.

Summary: The ORA is intended to provide accountability, timeliness, and predictability for businesses, the public, and government agencies involved in the permitting process. The ORA is to provide direction and practical resources for improving the regulatory process. Those involved in projects requiring permits should have access to information on turnaround times for permit decisions based on the permitting experience with like projects, on information required to make a permitting decision, and on the frequency of requests for additional or different information.

The Director of the ORA (Director) is appointed by the Governor and may employ staff directly or through contracting with another state agency to carry out its duties.

Services Provided to Project Proponents. Services provided by the ORA are defined more specifically to reflect current practice. Services include:

- acting as the central point of contact for project proponents and providing general coordination services;
- verifying that the project proponent has all information needed for required permits;
- assisting to resolve conflicts or inconsistencies in permit requirements and conditions;
- monitoring adherence to agreed schedules; and
- helping local jurisdictions comply with local development permitting by providing best practices and facilitating early involvement of state agencies.

The ORA must provide reports to the Legislature by September 1, 2009, and biennially thereafter on the office's performance and on improvements that can be made to the overall system.

Project Scoping. Project proponents may request a project scoping that identifies issues and information needed for the project from proponents and agencies. Scoping includes a clear understanding of process, timing,

and permit sequencing. The ORA determines the level of scoping based on complexity of the project and experience of those involved.

Fully Coordinated Permit Process. A fully coordinated permit process is an approach to a project based on a written agreement between the project proponent, the ORA, and the participating agencies. The project may be designated as a fully coordinated permit process if the proponent enters into a cost reimbursement agreement, or the project is project of statewide significance, and the Director determines that the ORA and the permitting agencies have the staff and resources to provide a fully coordinated process. A project may be designated a fully coordinated project if it is a project of statewide significance or the Director determines that it qualifies based on certain criteria.

The ORA serves as the central point of contact for the participants in the permitting of the project and provides coordination and facilitation services. The ORA must contact local, federal, or tribal jurisdictions that have permit requirements for a project and invite their participation in the coordinated process. Within 30 days of the designation of a project as a fully coordinated project, the ORA will convene a work plan meeting to coordinate the permitting schedule and set timelines and expectations. A work plan meeting includes discussion of costs and fee arrangements.

Cost-Reimbursement Agreements. A cost-reimbursement agreement involves the project proponent, the ORA, and the permitting agencies. A cost-reimbursement agreement must identify with as much specificity as possible the tasks of each agency and the maximum costs for work conducted under the agreement. It must include a schedule stating the estimated time for initial review, an estimated number of revision cycles, an estimate of billable hours and the rate-per-hour. The ORA, the DOE, the Department of Natural Resources, the Department of Health, the Department of Fish and Wildlife, and local air pollution control authorities may hire temporary employees and outside consultants whose costs are covered under an agreement to ensure that the agency's capacity to process other permits is maintained.

The ORA statute is not to be construed to limit or abridge the powers and duties of a participating permit agency, and the ORA may not substitute its judgment for that of the agency on non-procedural matters.

Votes on Final Passage:

House	94	0
Senate	43	2

Effective: July 26, 2009

SHB 1733

C 255 L 09

Concerning the property tax current use valuation programs.

By House Committee on Finance (originally sponsored by Representatives Goodman, Blake, Springer, Eddy, Dunshee, Rolfes and Kessler).

House Committee on Finance
Senate Committee on Ways & Means

Background: Most property is valued or assessed at its true and fair, or highest and best, value for purposes of imposing property taxes. However, the state Constitution allows the Legislature to enact legislation assessing certain types of real property at its present or current use for purposes of imposing property taxes. Two programs of current use valuation have been established: one program for forest lands and a second program that includes open space lands, farm and agricultural lands, and timber lands.

Farm and agricultural lands must be devoted primarily to commercial agricultural purposes. To qualify for classification as farm and agricultural land, land of less than 20 acres must meet income tests for three of the previous five years. Farm parcels less than five acres must generate $1,500 in farm gross income, and farm parcels of between five and 20 acres must generate $200 per acre.

Department of Revenue (DOR) rules, adopted to administer the open space current use laws, require that the income be from commercial agricultural production in order to meet the income requirement. Commercial agricultural activities include: raising, harvesting, and selling lawful crops; feeding, breeding, managing, and selling of livestock, poultry, fur-bearing animals, or honey bees; dairying or selling of dairy products; animal husbandry, aquaculture, horticulture, participating in a government-funded crop reduction or acreage set-aside program, or intensive cultivation of Christmas trees or short-rotation hardwoods. Since 1971, the DOR has required that animals be fed, bred, managed, and sold in order for land to be used for a "commercial agricultural purpose."

A recent review by King County of its current use program discovered a number of parcels in the current use program that were engaged in equestrian activities. The property owners were told that these equestrian activities do not constitute commercial agricultural purposes.

Late in 2008, the DOR held public hearings and reviewed its administrative rule. On December 31, 2008, the DOR announced that it had amended its rule (WAC 458-30-200) on an emergency basis to broaden the scope of the rule. The rule change eliminated the requirement for breeding of animals, and included the "sale" of forage through the grazing of livestock, including equines. Under the emergency rule, if a horse boarding operation pastures or grazes the boarded horses, then the "sale" of the pasture forage constitutes the sale of an agricultural product.

When property is removed from current use classification, back taxes plus interest must be paid. For open space categories, back taxes represent the tax benefit received over the most recent seven years. For designated forest land, back taxes are equal to the tax benefit in the most recent year multiplied by the number of years in the program (but not more than nine). There are some exceptions to the requirement for payment of back taxes.

Summary: Land used for equestrian activities such as stabling, training, riding, clinics, schooling, shows, or grazing for feed are eligible for current use valuation as farm and agricultural land.

Upon removal from a current use program owners are excused from paying the back taxes if the land was included in a current use program in error. This provision is available as long as the land owner did not contribute to the classification error through a false or misleading statement or other act or omission not in good faith.

Votes on Final Passage:

House	95	0
Senate	47	0

Effective: July 26, 2009

SHB 1740

C 327 L 09

Regarding the issuance of licenses to practice dentistry.

By House Committee on Health Care & Wellness (originally sponsored by Representatives Cody and Hinkle).

House Committee on Health Care & Wellness
Senate Committee on Health & Long-Term Care

Background: Dentists are licensed and disciplined by the Dental Quality Assurance Commission (DQAC). In order to be licensed, a dentist must:

- submit proof of graduation from a dental college, school, or dental department of an institution approved by the DQAC;
- submit a recent picture; and
- pass an examination.

A dentist may forego the examination requirement if he or she completes a post-doctoral dental residency program accredited by the Commission on Dental Accreditation of the American Dental Association (Commission) and the DQAC. The residency must:

- last from one to three years;
- be located in a community health clinic that serves predominantly low-income patients or that is located in a dental care health professional shortage area; and
- include an outcome assessment evaluation that assesses the resident's competence to practice dentistry.

The DQAC may issue a limited license to practice dentistry for a person to participate in the post-doctoral residency program. The license may only permit the dentist to provide dental care in connection with his or her duties in the program.

Summary: The DQAC may issue a limited license to practice dentistry for post-doctoral students in dental education and post-doctoral residents in any dental residency program approved by the DQAC.

Prior to July 1, 2010, the DQAC may approve a program only if it is either accredited by the Commission or in the process of obtaining such accreditation. On or after July 1, 2010, the DQAC may approve a program only if it is accredited by the Commission.

Votes on Final Passage:

House	95	0	
Senate	45	0	(Senate amended)
House	91	0	(House concurred)

Effective: May 4, 2009

ESHB 1741

C 396 L 09

Expanding the list of crimes that require dismissal or certificate revocation for school employees.

By House Committee on Education (originally sponsored by Representatives Darneille, Quall, Liias, Santos, Van De Wege, Goodman, Dickerson, Jacks, Hurst, Haigh, Pettigrew, Kenney, Dammeier and Morrell).

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

Background: Mandatory Termination for Certain Crimes. A school district must immediately terminate the employment of any certificated or classified employee upon conviction or a guilty plea to certain specified crimes against minors, such as physical injury or death of a child or promoting prostitution of a child. The employee has a right of appeal.

Discharge for Probable Cause. School districts may discharge certificated school employees for probable cause. Examples of conduct for which an employee could be discharged for probable cause include immorality, sexual misconduct with children, supplying alcohol to minors, abusive behavior toward children, and insubordination. Employees discharged for probable cause have a right of appeal.

Revocation of Certificate. A certificate must be permanently revoked by the Office of the Superintendent of Public Instruction (OSPI) upon a guilty plea or the conviction of any of the same crimes against children for which a certificated employee must be terminated. This permanent mandatory revocation provision applies to pleas or convictions after July 23, 1989. A person whose certificate has been permanently revoked has a right of appeal.

In addition, upon a finding that an employee has engaged in an unauthorized use of school equipment to

intentionally access material depicting sexually explicit conduct or has intentionally possessed on school grounds any material depicting sexually explicit conduct, the employee's certificate must be suspended or revoked. A first time violation results in either suspension or revocation, as determined by the OSPI. A second violation results in mandatory revocation.

Certificates may also be revoked for immorality, violation of written contract, unprofessional conduct, intemperance, or crimes against the law of the state. A due process hearing is available.

Contractor's Employees Barred From School. Any contract for services entered into by a school district must provide that any of the contractor's employees convicted of or pleading guilty to these same specified crimes against children must be prohibited from working at a public school.

Notification. Upon a person's conviction or plea of guilty for any of the specified crimes which result in mandatory termination and revocation, a prosecuting attorney must notify the Washington State Patrol (WSP). The WSP, in turn, is required to notify the OSPI. The OSPI is required to review the information provided by the WSP to determine whether the person holds a certificate issued by the OSPI. If so, the OSPI must provide this information to the Professional Educator Standards Board and the employing school district.

Summary: The list of crimes for which convictions or pleas of guilty result in mandatory termination is expanded to include crimes such as any felony with sexual motivation, felony indecent exposure, incest, kidnapping, and robbery. The victim of the crime need not be a child or minor. Attempts, conspiracies, or solicitations to commit any of the crimes on the list are also cause for mandatory termination. The new provisions apply to convictions or pleas of guilty which occur on or after the effective date of the act.

If a classified or certificated employee is terminated by reason of a plea or conviction for the specified felony crimes, a school district board of directors is entitled to recover from the employee any salary or other compensation that may have been paid to the employee for the period between such time as the employee was placed on administrative leave, following criminal charges being filed, and the time that the termination becomes final.

Certificates must be revoked upon a guilty plea or conviction for any of the crimes on the expanded list. Contractor's employees who have been convicted of any of these crimes are prohibited from working at a public school.

Mandatory revocation must also occur upon a finding that the certificate holder obtained the certificate through fraudulent means, including misrepresentation of required academic credentials or prior criminal record.

The list of crimes which must be reported by the prosecutor to the WSP, and by the WSP to the OSPI, are similarly expanded to include the new crimes as well as the crimes against children already specified in law. The OSPI must review the information provided by the WSP on at least a quarterly basis.

School districts are prohibited from reaching agreements which are in conflict with these termination and notice provisions.

School superintendents and administrators are permitted to file complaints with the OSPI regarding certificated individuals, regardless of whether the certificated individual is employed by the complainant. Such written complaints must state the grounds and summarize the factual basis upon which a determination has been made that an OSPI investigation is warranted.

Upon termination of a certificated employee on grounds of a guilty plea or conviction for any of the enumerated felony crimes, a school district superintendent must notify the OSPI. The OSPI is required to keep a record of such notices.

Votes on Final Passage:

House	95	0	
Senate	44	0	(Senate amended)
House	97	0	(House concurred)

Effective: July 26, 2009

SHB 1749

C 528 L 09

Regulating the business practices of mortgage brokers for compliance with the secure and fair enforcement for mortgage licensing act of 2008.

By House Committee on Financial Institutions & Insurance (originally sponsored by Representatives Bailey and Kirby).

House Committee on Financial Institutions & Insurance
House Committee on General Government Appropriations
Senate Committee on Financial Institutions, Housing & Insurance

Background: The Department of Financial Institutions (DFI) licenses mortgage brokers and loan originators under the Mortgage Broker Practices Act (MBPA). The MBPA has provisions regarding licensing, continuing education, prohibited practices, examinations, investigations, and criminal, civil, and administrative penalties for mortgage brokers and loan originators.

The DFI currently requires all mortgage brokers and loan originators to file license applications through the Nationwide Mortgage Licensing System (NMLS). The NMLS was created in 2004 by the Conference of State Bank Supervisors and the American Association of Residential Mortgage Regulators. The NMLS began operations in January of 2008. According to the NMLS, 42

states are current members or have signed a Statement of Intent regarding their participation in the NMLS.

On July 30, 2008, President Bush signed House Resolution 3221 (P.L. 110-289). Title V of House Resolution 3221 is referred to as the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (SAFE Act). Under the SAFE Act, all states must have a system of licensing in place for residential mortgage loan originators by August 1, 2009, that meets national definitions and minimum standards, including:

- criminal history and credit background checks;
- pre-licensure education;
- pre-licensure testing;
- continuing education;
- net worth, surety bond or recovery fund; and
- licensing mortgage loan originators through a Nationwide Mortgage Licensing System and Registry (NMLS&R).

The Secretary of the U.S. Department of Housing and Urban Development is required to establish and maintain a backup licensing and registration system for loan originators operating in a state that:

- does not have a licensing and registering system for loan originators that meets the requirements of the SAFE Act; or
- does not participate in the NMLS&R.

Summary: The definition of "loan originator" is modified. Additionally, new definitions are created.

Applications for a mortgage broker or a mortgage loan originator license must be made through the NMLS&R. An application for a mortgage broker or a mortgage loan originator license must include fingerprints and other specific background information. The Director of the Department of Financial Institutions (Director) may adopt rules regarding licensing. Applicants must use a form prescribed by the Director. The Director may establish contracts with the NMLS&R to collect and maintain records and fees related to licensees.

An applicant must:

- complete minimum pre-licensing education requirements approved and administered by the NMLS&R; and
- pass a test developed by the NMLS&R and administered by a provider approved by the NMLS&R.

A mortgage loan originator licensee must meet minimum continuing education requirements approved and administered by the NMLS&R. The Director must establish other standards by rule for license renewal.

The Director must establish a process for mortgage loan originators to challenge the information entered into the NMLS&R by the Director.

A mortgage broker must maintain a minimum bond amount. The Director may establish a range of bond amounts based on the dollar amount of loans originated by the licensee. If the Director determines that the required bonds are not reasonably available, the Director must waive that requirement. The Mortgage Recovery Fund Account (MRFA) is created and the Director is authorized to charge fees to fund the MRFA. A person may only receive reimbursement from the MRFA after a court has determined the actual damages caused by the licensee. The Director may adopt rules regarding:

- the procedure for recovery from the MRFA;
- the amount each mortgage broker must pay for deposit in the MRFA; and
- the amount necessary to administer the MRFA.

Each mortgage loan originator must register with and maintain a unique identifier.

The information and materials used for the NMLS&R are subject to existing state and federal privacy laws even after being provided to the NMLS&R. Information may be shared by the Director with other governmental agencies and regulatory associations without a loss of any privilege or confidentiality under the law.

Specific entities and their employees are exempt from the MBPA.

Votes on Final Passage:

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

Effective: July 26, 2009
January 1, 2010 (Sections 4, 6-9, 11, 12, 14, and 17)

SHB 1751

C 511 L 09

Concerning the time period during which sales and use tax for public facilities in rural counties may be collected.

By House Committee on Finance (originally sponsored by Representatives Kessler, Van De Wege, Takko, Kenney, Finn, Haigh and Blake).

House Committee on Finance
Senate Committee on Agriculture & Rural Economic Development
Senate Committee on Ways & Means

Background: Retail sales and use taxes are imposed by the state, most cities, and all counties. Retail sales taxes are imposed on retail sales of most articles of tangible personal property and some services. If retail sales taxes were not collected when the property or services were acquired by the user, then use taxes are applied to the value of most tangible personal property and some services when used in this state. Use tax rates are the same as retail sales tax rates. The state tax rate is 6.5 percent. Depending on the location, local tax rates vary from 0.5 percent to 3.0 percent. The average local tax rate is 2.3 percent, for an average combined state and local tax rate of 8.8 percent.

Rural counties may impose a local options sales and use tax of up to 0.09 percent. The tax is credited against the state's 6.5 percent sales tax, and the consumer does not see an increase in the amount of the tax paid. Revenues from this local option tax may only be used to finance public facilities serving economic development purposes and pay for personnel in economic development offices. Public facilities are those listed as an item in the county's officially adopted, overall economic development plan, the economic development section of the comprehensive plan, or listed in the capital facilities plan.

For purposes of the tax, a "rural county" is defined as a county with a population density of less than 100 persons per square mile or smaller than 225 square miles.

This sales and use tax for rural counties was first enacted in 1997. The maximum tax rate at that time was 0.04 percent, which could commence no sooner than July 1, 1998, and last for a period of 25 years after the date the tax was first imposed. In 1999, the rate was increased to 0.08 percent.

Effective August 1, 2007, the maximum tax rate was increased from 0.08 percent to 0.09 percent. Of the 32 counties that are eligible, 30 counties have increased the tax rate to 0.09 percent since August 1, 2007, with only Columbia and Garfield Counties not increasing their tax rates.

Summary: Rural counties that impose the rural county sales and use tax at the rate of 0.09 percent before August 1, 2009, may impose the tax for 25 years from the date the county first imposed the tax at the 0.09 percent tax rate.

Votes on Final Passage:

House	94	2	
Senate	44	4	(Senate amended)
House	95	0	(House concurred)

Effective: July 26, 2009

SHB 1758

C 524 L 09

Expanding options for students to earn high school diplomas.

By House Committee on Education (originally sponsored by Representatives Quall, Hope, Wallace, Sullivan, Goodman, Kagi, Santos, Morrell, Hasegawa and Ormsby).

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

Background: The State Board of Education (SBE) establishes minimum statewide high school graduation requirements. These requirements include 19 credits of a specified distribution of courses, a high school and beyond plan, and a culminating project. Beginning with the graduating class of 2008, an additional state requirement for graduation from a public high school is achievement of a Certificate of Academic Achievement (CAA) or Certificate of Individual Achievement (CIA). Through the class of 2012, there is an exception to this requirement for students who did not successfully meet the state standard on the high school mathematics assessment. Local school districts may adopt additional requirements. School districts issue high school diplomas to students who satisfactorily complete all state and local graduation requirements.

Community and technical colleges are also authorized under state law to issue high school diplomas or certificates, based on rules adopted by the SBE. The rules require individuals to meet the same credit requirements to earn a diploma from a college (also called a high school completion diploma) as are required for a diploma from a high school. For individuals over age 18, colleges have flexibility to award credit based on college courses, correspondence courses, independent study, testing, work experience, and other evidence of educational attainment. For individuals under 18 years of age, a high school principal must approve the program of studies that will lead to the diploma. Students over the age of 21 are not required to earn a CAA or a CIA.

Students who are juniors or seniors in high school can earn both high school and college credit simultaneously by enrolling in a community or technical college and some four-year higher education institutions through the Running Start program. School districts redirect basic education funds to the college to pay the cost of attendance, and the student is not required to pay tuition. There are a number of laws requiring school districts to notify students about the Running Start program and other educational options.

Summary: In addition to high school completion diplomas issued under rules adopted by the SBE, community and technical colleges are authorized to issue high school diplomas, on written request of the student, to:

1. individuals enrolled in Running Start who enroll in the college and complete an Associate's Degree; and
2. individuals over 21 who enroll in the college for the purpose of obtaining an Associate's Degree and who complete the degree.

It is clarified that the individuals over 21 are not eligible for state K-12 funding.

School districts must include these options in various required notifications to students about available educational options.

Votes on Final Passage:

House	97	0	
Senate	46	0	(Senate amended)
House			(House refuses to concur)
Senate	47	0	(Senate amended)
House	94	0	(House concurred)

Effective: July 26, 2009

SHB 1765
C 98 L 09

Concerning the license surcharge for the impaired physician program.

By House Committee on Health Care & Wellness (originally sponsored by Representatives Moeller, Campbell and Morrell).

House Committee on Health Care & Wellness
House Committee on Health & Human Services Appropriations
Senate Committee on Health & Long-Term Care

Background: The Medical Quality Assurance Commission (MQAC) operates, by contract, an impaired physician program in which both physicians and physician assistants may participate.

The Department of Health (DOH) is authorized to include the following in the program:

- entering into relationships with professionals who provide either evaluation or treatment services;
- receiving and assessing reports of suspected impairment;
- intervening in cases of verified impairment, or in cases where there is reasonable cause to suspect impairment;
- referring impaired physicians, or physician assistants, for evaluation or treatment;
- monitoring the treatment and rehabilitation of impaired physicians and physician assistants;
- providing monitoring, continuing treatment, and rehabilitative support;
- providing prevention and education services; and
- providing other activities as agreed by the MQAC and the contracting entity.

As part of their annual fees, physicians and physician assistants are assessed a surcharge to fund this program of $35 for physicians and $25 for physician assistants. The surcharge is deposited into the Impaired Physician Account to be used solely for the implementation of the impaired physician program.

Summary: The Medical Quality Assurance Commission must increase the surcharge for the impaired physician program to $50. All funds in the Impaired Physician Account must be paid to the contract entity within 60 days of deposit.

Votes on Final Passage:

House	91	6
Senate	38	7

Effective: July 26, 2009

SHB 1769
C 397 L 09

Concerning housing assistance in dependency matters.

By House Committee on Early Learning & Children's Services (originally sponsored by Representatives Orwall, White, Dammeier, Clibborn, Nelson, Liias, Carlyle, Eddy, Upthegrove, Green, Chase, Seaquist, Miloscia, Kagi, Roberts, Kenney and Morrell).

House Committee on Early Learning & Children's Services
House Committee on Health & Human Services Appropriations
Senate Committee on Human Services & Corrections

Background: In children's dependency cases, the court has authority to order various treatment and services be provided to parents and children to facilitate reunification. The court, in conducting dependency review hearings, has explicit authority to order housing assistance when: (1) homelessness or the lack of adequate and safe housing is the primary reason for the child's out-of-home placement; and (2) funding appropriated specifically for housing assistance is available.

In 1997 the Washington Supreme Court, in *Washington State Coalition for the Homeless v. DSHS*, 133 Wn.2d 894 (1997), ruled that the juvenile dependency court "has authority to order the Department of Social and Health Services (DSHS) to provide the family with some form of assistance in securing adequate housing in those cases where homelessness or lack of safe and adequate housing is the primary reason for the foster placement or the primary reason for" continuing the child's placement out of the home. The court also held that the nature of housing assistance services provided to families was within the discretion of the DSHS, but the court would determine the adequacy of the services and the reasonableness of the agency's effort. Following this ruling, the dependency statute was amended in a number of areas to include "housing assistance" and "housing services."

The term "housing services" is one of the "preventive services" defined as "services capable of preventing the need for an out-of-home placement while protecting the child." "Housing services" are described as referrals to federal, state, local, or private agencies that assist people in need with completing forms and applications, or that provide financial subsidies for housing. The term "housing assistance" is not defined.

Summary: A definition is created for housing assistance, and the term includes:

- appropriate referrals to agencies or organizations;
- assistance with completing forms and applications; or
- financial subsidies or monetary assistance for housing.

Housing assistance is defined to not be a remedial service or time-limited family reunification service.

At the shelter care hearing, if the dependency petition alleges that homelessness or lack of adequate housing was a significant factor contributing for the need to remove the child from the parents, the court must inquire whether housing assistance was provided to the family to prevent the need for removing the child.

Following the fact finding hearing on the dependency petition, the court must select those services to assist the parents in maintaining the child in the home, if appropriate. When reviewing the dependency case, the court must determine whether the parent's homelessness or lack of adequate housing is a significant factor delaying permanency for the child and whether housing assistance should be provided.

The court is authorized to order housing assistance whenever: (1) a parent's homelessness or lack of suitable housing is a significant factor delaying permanency for the child and housing assistance would aid the parent in providing an appropriate home for the child; and (2) funding appropriated for this specific purpose is available. Housing services or assistance is declared to not be an entitlement under the child dependency chapter.

Votes on Final Passage:

House	96	0	
Senate	44	0	(Senate amended)
House	97	0	(House concurred)

Effective: July 26, 2009

SHB 1778

PARTIAL VETO
C 333 L 09

Modifying various provisions of Title 77 RCW.

By House Committee on Agriculture & Natural Resources (originally sponsored by Representative Blake; by request of Department of Fish and Wildlife).

House Committee on Agriculture & Natural Resources
House Committee on General Government Appropriations
Senate Committee on Natural Resources, Ocean & Recreation
Senate Committee on Ways & Means

Background: Fish and Wildlife Enforcement. The Fish and Wildlife enforcement statutes contain a number of unlawful acts that relate to hunting, fishing, and other wildlife-related activities. The penalties for violating these regulations range from civil natural resources infractions to misdemeanors and felonies.

In addition to the violations outlined in the statute, the Fish and Wildlife Commission (Commission) has the authority to adopt rules that regulate the harvest of wildlife and fish. Rules adopted by the Commission may be enforced with criminal sanctions and serve as a basis for some of the crimes expressly outlined in the statute. If a rule is not an element of a statutory crime, the Commission has the authority to provide for civil enforcement of the rule.

The Washington Department of Fish and Wildlife (WDFW) may suspend a person's privilege to fish commercially if the person is convicted two or more times within three years of a commercial fishing violation. The suspension of privileges only applies to the fishery within which the violation occurred.

Commercial and Recreational Licenses. The WDFW offers a taxidermy license and a fur buyer's license to individuals interested in pursuing the commercial aspects of these industries. License holders must abide by any rule of the Commission relating to the use, possession, display, or presentation of the license. Failure to do so may result in a criminal prosecution of the unlawful use of a commercial wildlife license.

The WDFW offers a number of short-term fishing licenses. These licenses allow for fishing between one and five days. However, only active duty military personnel may fish during the first eight days of the lowland lake fishing season with a short-term license.

Individuals must obtain a salmon guide license from the WDFW before they are allowed to operate a guide service in freshwater rivers and streams for anglers catching salmon for personal use. The salmon guide license is not necessary if the guide services take place between the mouth of the Columbia River and the Lewis and Clark Bridge in Longview. A charter license is needed to act as a guide in the river below the bridge.

The WDFW conducts raffles as a way to grant permission to hunt big game and turkeys during certain limited seasons. Licensed hunters may purchase a raffle ticket, but only raffle winners are permitted to participate in the limited season. Raffle tickets may not exceed $25. The Commission is allowed to offer hunting opportunities to up to 15 turkey or big game hunters each year through the raffle system.

There is an Eastern Washington Pheasant Enhancement Account. Monies in the account may be used to improve pheasant habitat or to purchase or produce pheasants, with no less than 80 percent of monies from the account used to purchase or produce pheasants.

Aquatic Invasive Species. Signs warning vessels of the threat of aquatic invasive species, the penalties associated with introduction of an invasive species, and proper contact information for obtaining a free vessel inspection must be posted at all ports of entry and at all boat launches owned or leased by the WDFW. The WDFW is authorized to establish random check stations and require persons transporting recreational and commercial watercraft to stop at the check stations to have their vessels inspected for aquatic invasive species.

Wildlife Interactions. The owners of a commercial agricultural or horticultural crop may apply to the WDFW for payment of damages caused by the browsing of wild deer or elk. Payments are limited to the value of the crop,

but are generally capped at $10,000 per claim. Claims valued over $10,000 must be filed with the Office of Financial Management, which will forward a recommendation on the claim to the Legislature. Only a landowner that opens his or her land to public hunting is eligible for compensation caused by deer or elk damage.

Unless the Legislature declares an emergency, the WDFW may not pay more than $150,000 total per year for crop damage claims. The $150,000 is funded from both the General Fund and the State Wildlife Account. It is the responsibility of the WDFW to examine and assess the damage upon notification from the claimant, although the WDFW and the claimant can agree to have the damage assessed by a third party. The owner of the damaged crops must report the loss within 10 days of discovery. Any damage payments accepted by the owner represents the exclusive remedy against the state for wildlife-caused damages.

A landowner has the authority to kill any non-endangered wildlife causing damage on his or her property without first obtaining a license from the WDFW. However, unless an emergency exists, the landowner must obtain a permit from the WDFW. If there is an emergency, the landowner may kill deer or elk with verbal permission from the WDFW.

The WDFW is directed to work closely with landowners to prevent damage and increase harvest when non-lethal prevention does not work. Special hunts are required in instances of recurring complaints.

Summary: Fish and Wildlife Enforcement. Failure to pay a fine or appear at a hearing to contest an infraction or criminal citation is considered a conviction for purposes of the Fish and Wildlife enforcement statutes. Additionally, forfeiture of bail is also considered a conviction for the purposes of the Fish and Wildlife enforcement statutes.

A person who holds a fur buyer's license or a taxidermy license is guilty of the unlawful use of a commercial wildlife license for violating any rule of WDFW regarding reporting requirements.

Two new crimes are created. The Unlawful Use of a Department Permit is a misdemeanor applicable whenever a person violates a condition of a permit issued by the WDFW. The Unlawful Use of an Experimental Fishery Permit or a Trial Commercial Fishery Permit is a gross misdemeanor applicable upon a violation of a permit condition or rule applicable to experimental and trial commercial fisheries.

The WDFW may dispose of unclaimed property in the same manner as is currently done by the State Patrol, with the proceeds of sales deposited into the Fish and Wildlife Enforcement Reward Account. The WDFW may use monies in the Fish and Wildlife Enforcement Reward Account to offset costs that are incurred by the WDFW to administer the Hunter Education Deferral Program and the Master Hunter Program.

Commercial and Recreational Licenses. The Commission is given the authority to allow anglers to purchase a stamp allowing them to use two fishing poles at one time. The cost of this addition to a fishing license is $20 for most anglers and $5 for state residents over the age of 69. Additionally, the Commission must define the opening day of lowland lake fishing season by rule.

A Master Hunter Program is created. Holders of a master hunter permit are entitled to participate in special hunts of problem causing animals. The fee for a master hunters permit is $50, with a $25 annual renewal charge. Fees from the master hunter permit must be deposited into the Fish and Wildlife Enforcement Reward Account.

A person must have a license or permit in order to act as a food fish guide, except that a charter boat license is required to operate a vessel from which a person may, for a fee, fish for food fish in certain state waters. A person is guilty of acting unlawfully as a game fish guide or food fish guide if the person acts as a game fish guide or food fish guide and does not hold the proper license. Violation of this provision is a gross misdemeanor.

Retail sellers, such as grocery stores, are exempt from needing an anadromous game fish buyer's license if they purchased their steelhead trout or other anadromous game fish from a licensed wholesale fish dealer.

For the 2009-2011 biennium, the WDFW must charge an additional transaction fee of 10 percent for licenses, permits, tags, stamps, or raffles.

The Commission is given the authority to increase from 15 to 30 the number of big game and turkey raffles the WDFW may offer each year. The revenue from the raffles may be used for the management of all game species, and not just for the improvement of the habitat, health, and welfare of the species subject to the raffle.

Money from the Eastern Washington Pheasant Enhancement Account may be used to improve pheasant habitat or to purchase or produce pheasants. However, 80 percent of the funding is no longer required to be used for pheasant production. The WDFW must submit an annual report on its pheasant activities in eastern Washington to the appropriate committees of the Legislature.

Aquatic Invasive Species. The WDFW enforcement division may provide aquatic invasive species instruction training to local law enforcement. A person entering Washington while transporting watercraft must have in his or her possession documentation that the watercraft has been inspected and found free of aquatic invasive species. The cost of impounding, transporting, cleaning, and decontaminating watercraft that is contaminated with aquatic invasive species must be paid by the person in possession of the watercraft when it is inspected.

Wildlife Interactions. The provisions of state law dealing with reimbursement to landowners for damage caused by wildlife are recodified and reorganized. In

addition, substantive changes are made to state policies regarding wildlife damage.

In addition to owners compensating of commercial crops damaged by deer or elk, the WDFW is required, subject to funding limits, to compensate owners of commercial livestock that are killed or significantly injured by bears, cougars, or wolves. Each individual claim by a crop or livestock owner is eligible to be paid the value of the lost crop less any payments received by a non-profit organization up to a maximum of $10,000. For livestock, the compensation is $200 for each lost sheep and $1,500 for each lost head of cattle or horse.

Total compensation for the owners of commercial crops generally may not exceed $150,000 per year, and total compensation for the owners of commercial livestock may not exceed the amounts specifically appropriated for the purpose. If the Legislature declares an emergency, then the WDFW may pay a cumulative amount in claims limited by specific appropriations.

The owners of property that does not qualify as commercial crops or livestock may still apply to the WDFW for compensation for damage caused by mammals or birds. However, unlike compensation for crops and livestock, the WDFW is not required to provide compensation, and any compensation provided may not be in the form of monetary payments. Compensation for this class of damage must take the form of materials or services.

The Commission is directed to identify criteria that determine whether damage to property qualifies for compensation. Different criteria may apply to mandatory compensation claims and discretionary claims. For mandatory commercial crop and livestock claims, the criteria must provide for a minimum economic loss. The minimum loss must be set to at least $500.

Property owners may not receive compensation from the WDFW if they have insurance that provides compensation for the crop loss. Also, they must first exhaust any available compensation offers from non-profit organizations and utilize all applicable legal and practicable self-help preventative measures. Self-help measures include non-lethal methods of damage prevention and materials and services provided by the WDFW.

In addition, owners of commercial crops may only receive cash compensation if they have an annual gross sales or harvest value figure of at least $10,000. Individuals suffering damage to crops that do not satisfy this threshold are still eligible for non-cash compensation.

The burden of proof in all claims belongs to the claimant.

The WDFW is directed to develop a process for a compensation applicant to follow. Elements of the process must include forms of proof, anticipated timelines for decisions from the WDFW, prioritization of claims, a process for determining damage assessments, and protocols for when an owner intends to salvage any still-harvestable crops.

The Commission must develop a procedure for appealing both the denial of claims and the amount offered for accepted claims. If an appeal of the compensation amount is successful, the WDFW is authorized to pay an amount greater than $10,000.

Upon application by an individual, the WDFW may provide materials and services that help the applicant reduce negative wildlife interactions. The Commission must establish criteria for mitigating actions that are eligible for preventative materials and services.

In addition, the specific statutory provisions relating to when and how a landowner can kill damage-causing wildlife are removed. Landowners may still kill wildlife without licenses, but only under conditions set by the Commission. The conditions must include the protection of endangered species, the identification of instances when verbal permission is sufficient, and requirements for carcass disposal.

Specific details as to how the WDFW will address recurring damage complaints through special hunts is removed in favor of general authority for the WDFW to authorize the removal of damaging wildlife.

The Commission must formally review its ability to execute the wildlife interaction provisions and the authority delegated to it. Any recommendations for statutory changes must be forwarded to the 2014 Legislature.

Other Changes. A number of references to other statutes throughout Title 77 RCW are removed or corrected to reflect current codifications. Examples of these corrected antiquated references are located in sections of the code that deal with criminal convictions and fish passage requirements. In addition, a redundant section of the code relating to wildlife viewing is repealed.

The use of the term "State Wildlife Fund" is updated to "State Wildlife Account" to reflect the correct name of the account as it is used in Title 77 RCW. References to work groups that no longer exist are removed from Title 77 RCW, such as the Ballast Water Work Group. Also removed are references to studies, reports, and other one-time work products that have been completed by the WDFW.

Votes on Final Passage:

House	96	1	
Senate	31	17	(Senate amended)
House	63	35	(House concurred)

Effective: July 26, 2009
July 1, 2010 (Sections 53-66)

Partial Veto Summary: The Governor vetoed legislative findings relating to a program that provides compensation for crop or livestock damage caused by certain wildlife.

VETO MESSAGE ON SHB 1778

May 5, 2009

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

Ladies and Gentlemen:

I have approved, except for Section 53, Substitute House Bill 1778 entitled:

"AN ACT Relating to modernizing certain provisions in Title 77 RCW regarding fish and wildlife."

Section 53 provides the legislative intent and findings for the wildlife interactions portion of this bill. I am concerned that this section of the bill is overly broad and may lead to unintended consequences regarding expectations of the wildlife interaction program modified by this act. I do not believe that vetoing this section will in any way hinder the implementation of this program.

For these reasons, I have vetoed Section 53 of Substitute House Bill 1778. With the exception of Section 53, Substitute House Bill 1778 is approved.

Respectfully submitted,

Christine O. Gregoire
Governor

ESHB 1782

C 477 L 09

Concerning parent participation in dependency matters.

By House Committee on Early Learning & Children's Services (originally sponsored by Representatives Goodman, Roberts, Walsh, Dickerson, Darneille, Kagi and Nelson).

House Committee on Early Learning & Children's Services
Senate Committee on Human Services & Corrections

Background: When a shelter care hearing is scheduled in a child's dependency case, a standard notice must be provided to the child's parent, guardian, or legal custodian. The notice must be understandable and take into consideration the parent's, guardian's, or custodian's primary language, level of education, and cultural issues. The shelter care notice must include specific information about:

- the date, time, and location of the hearing;
- legal rights, including the right to legal representation; and
- a description of orders the court may enter if the child is placed in out-of-home care.

Federal and state laws require the filing of a petition to terminate the parental rights (TPR petition) of the parent of a child who has been in out-of-home care when certain criteria are met relating to the length of time the child has been in foster care, the circumstances requiring the foster care placement, and the progress made towards reunification. Unless an exception applies, state law requires a TPR petition to allege specific elements to be proven at trial, one of which relates to the likelihood that conditions will be remedied so that the child can be returned to the parent in the near future. In analyzing this determination, the court may consider:

- a parent's dependence on alcohol or drugs which renders the parent incapable of providing care for and protecting the child for extended periods of time, and the parent's unwillingness to receive and complete treatment or multiple failed treatment attempts; and
- a parent's chronic or severe psychological incapacity or mental deficiency which renders the parent incapable of providing care for and protecting the child for extended periods of time, and the parent's unwillingness to receive and complete treatment or the lack of available treatment that can render the parent capable of providing for the child's needs.

Summary: The requirements for the shelter care notice to parents are expanded to include:

- a description of the dependency process, including that a permanent plan of care for the child will be developed if the court orders the child removed from home;
- a statement encouraging the parents to notify their attorneys and the court regarding their wishes for the child's placement, any services the parents believe are needed, and their wishes regarding visitation with their child; and
- a statement reminding parents that shelter care hearings, fact-finding hearings, and dependency review hearings are legal processes with potentially serious consequences and that failure to respond, participate in case planning and visitation, or comply with court orders may lead to the modification of a parenting plan, entry of a third-party custody order, or the eventual permanent loss of parental rights.

During the TPR process, when the court is analyzing the likelihood that conditions will be remedied so that the child can be returned to the parent in the near future, the court also may consider the failure of a parent to have contact with a child for an extended period of time after the filing of the dependency petition when two circumstances are present:

- the parent was provided an opportunity to have a relationship with the child by the department or the court; and
- the parent received documented notice of the potential consequences of this failure.

A parent's actual inability to have visitation with a child due to mitigating circumstances, such as a parent's incarceration or service in the military, does not in and of itself constitute failure to have contact with a child.

Votes on Final Passage:

House	96	0	
Senate	41	0	(Senate amended)
House			(House refuses to concur)
Senate	49	0	(Senate amended)
House	92	2	(House concurred)

Effective: July 26, 2009

HB 1789
C 399 L 09

Allowing the department of corrections to approve jail certifications from correctional agencies in the calculation of release dates for offenders.

By Representatives Dammeier, O'Brien, Dickerson, Hurst, Klippert, Morrell, Orwall, Green, Walsh and Darneille; by request of Department of Corrections.

House Committee on Human Services
Senate Committee on Human Services & Corrections

Background: For defendants who have entered a plea of guilty to or been found guilty of an offense, the trial court must enter an order on judgment and sentence. A judgment and sentence issued from superior court identifies the offenses for which the defendant is being sentenced, states the length of the sentence, identifies conditions of community custody or supervision, and contains the defendant's fingerprints, as well as other information. The trial court must give the defendant credit for all presentence time served in confinement if that confinement was solely in regard to the offense for which the defendant is being sentenced.

Earned release time, also widely known as "good time," refers to an amount of time for which an offender receives credit based upon different factors, including the nature of the offense for which he or she is serving time and the offender's behavior. The amount of earned release time allowed varies from facility to facility, but it may range from 10 to 50 percent. While an offender is serving time in a county jail facility pending sentencing, he or she may earn early release time for that time spent in custody prior to being transferred to the Department of Corrections (DOC). Although some sentencing courts include earned release time in the judgment and sentence, the court does not have the statutory authority to grant earned release time to an offender. Only a facility in which a defendant is held has the authority to certify earned early release time.

Upon receipt of a certification of earned release time from a jail facility, the DOC is not obligated to review the accuracy of the certification. If a certification does not contain apparent or manifest errors of law, the DOC is entitled to give that certification legal effect. A manifest error is an error that is plain and indisputable, and that amounts to a complete disregard of the controlling law or the credible evidence in the record.

Summary: The DOC may approve the jail certification regarding the amount of earned release time that is due to an offender based upon time served before sentencing when it is determined that the time of confinement contained in the judgment and sentence is erroneous.

Votes on Final Passage:

House	94	0	
Senate	42	0	(Senate amended)
House	97	0	(House concurred)

Effective: August 1, 2009

HB 1790
C 400 L 09

Including domestic violence court order violations to the list of offenses eligible for notification.

By Representatives O'Brien, Hurst, Dickerson, Orwall, Green, Morrell, Dammeier, Klippert, Walsh, Darneille, Kelley, Probst and Hudgins; by request of Department of Corrections.

House Committee on Human Services
Senate Committee on Human Services & Corrections

Background: Victim Notification. The Department of Corrections (DOC) is required to send written notice of an offender's parole, release, community custody, work release placement, furlough, or escape to certain persons. With the exception of escape and emergency furloughs, such notice must be provided at least 30 days in advance. This notice requirement applies to offenders convicted of a violent offense, a sex offense, or felony harassment. The list of persons to whom the notice must be sent includes:

- the chief of police of the city in which the offender will reside or be placed in work release;
- the sheriff of the county in which the offender will reside or be placed in work release;
- the Washington State Patrol (sex offenders only);
- if notice has been requested in writing, to:
  - any victim or next of kin if the offense is a homicide;
  - a witness who testified against the offender in any court proceedings involving a violent offense;
  - a person specified by the prosecuting attorney; and
  - any person who has requested notice, at least 60 days prior to release, about a sex offender.

Whenever the DOC mails notice and the notice is returned as undeliverable, the DOC must attempt alternative methods of notification, including a telephone call to the person's last known telephone number. The DOC must also provide notification if there has been an escape and notification of recapture.

Statement of Rights of Victims and Witnesses. Where a judgment and sentence was entered after October 1, 1983, the DOC must provide victims, next of kin in the case of a homicide, and witnesses in the case of violent or sex offenses, a statement of the rights of victims and witnesses to request and receive notification.

Domestic Violence Court Orders. A court may issue an order prohibiting contact between an offender and a victim or witness in an offense which involved an allegation of domestic violence. The court may issue such an order while a criminal matter alleging domestic violence is pending or upon sentencing. A violation of such an order, which is often called a protection order, is a gross misdemeanor. In certain cases, a violation of the order accompanied by other criminal behavior, such as an assault, which does not amount to first or second degree, or reckless conduct, will elevate the seriousness level of the offense to a class C felony. The offense will also be classified as a class C felony if the defendant has two or more convictions for violating a protection order. As a class C felony, the offense would be punishable by a sentence range of zero to 12 months in jail, a fine of up to $10,000, or both.

Summary: The DOC's victim and witness notification program is expanded to include notification regarding offenders convicted of violating a protection or no-contact order in a domestic violence protection case. Both victims and witnesses in cases involving homicide and violent offenses must receive a statement of rights of victims and witnesses and must receive notification regarding such offending.

Votes on Final Passage:

House	97	0	
Senate	47	0	(Senate amended)
House	97	0	(House concurred)

Effective: August 1, 2009

SHB 1791

C 389 L 09

Clarifying certain community custody and drug offender sentencing alternative sentencing provisions.

By House Committee on Human Services (originally sponsored by Representatives Dickerson, O'Brien, Hurst, Green, Dammeier, Morrell, Orwall, Walsh and Wood; by request of Department of Corrections).

House Committee on Human Services
Senate Committee on Human Services & Corrections

Background: Drug Offender Sentencing Alternative. If a defendant is charged with an offense under the Violation of the Uniform Controlled Substances Act (VUCSA) or any other felony and the court finds that the offender has a chemical dependency that contributed to the crime, the offender may be eligible for and move the court for a Drug Offender Sentencing Alternative (DOSA), if the following criteria are met:

- the standard sentence range for the offense is more than one year;
- the offender has not previously received a DOSA more than once in the last ten years;
- the offender has no prior sex offenses and the current offense is not a sex offense;
- the current offense is not violent and the offender has no prior violent offenses in the past ten years;
- the current offense is not a felony offense of driving under the influence (DUI) or physical control (a DUI or physical control becomes a felony if the offender has four or more prior offenses within the past 10 years or if the defendant has a prior conviction of vehicular homicide or vehicular assault as a result of driving under the influence of alcohol);
- no deadly weapon or firearms enhancement applies to the current offense;
- the defendant is not subject to a federal immigration detainer or deportation order; and
- the offense involved a small amount of drugs as determined by the court.

The court must consider four factors in its determination of whether a DOSA is appropriate for the offender:

- whether the offender suffers from a drug addiction;
- whether that addiction makes it probable that criminal behavior will occur in the future;
- whether effective treatment for that addiction is available; and
- whether the offender and the community will benefit from the sentencing alternative.

If the court imposes a DOSA instead of the sentence range, the sentence consists of either a prison-based alternative or a residential chemical dependency treatment-based alternative. If the offender is sentenced to a prison-based alternative, he or she must spend a period of total confinement in a state facility equal to one-half the midpoint of the standard range, or 12 months, whichever is greater. For example, if the standard sentence range is 13 - 17 months, the midpoint of the standard range would be 15 months. One-half of the midpoint would be 7.5 months. Under a prison-based DOSA, the offender would be required to serve 12 months in total confinement. The offender would be placed on community custody for the "remainder of the midpoint."

Summary: Community Custody for Prison-Based DOSA. The length of an offender's term of community custody is clarified. Upon completion of a term of one-half of the midpoint or 12 months (whichever is greater) in total confinement, the offender must serve one-half of the midpoint of the standard range as a term of community custody.

To assist the court in determining whether it should impose community-based or prison-based treatment, the court may order the Department of Corrections (DOC) to complete a risk assessment or a chemical dependency screening report or both.

Residential Chemical Dependency Treatment-Based Alternative. If the court is considering imposing a sentence under the residential chemical dependency treatment-based alternative, the court may order an examination of the offender by the DOC. If the court imposes a sentence under this provision, then the treatment provider will be required to send the treatment plan to the court within 30 days of the offender's arrival at the residential chemical dependency treatment program.

Community Custody for Exceptional Sentence for Unranked Offenses. A term of community custody is established for an unranked felony offense for which there has not been an established standard sentence range, and for which the court has imposed a sentence that exceeds 12 months based upon a finding that such an exceptional sentence is justified pursuant to special allegations that have been pled and proven.

Votes on Final Passage:

House	94	0	
Senate	47	0	(Senate amended)
House	97	0	(House concurred)

Effective: August 1, 2009
May 7, 2009 (Section 2)

ESHB 1792

C 390 L 09

Establishing search and arrest authority provisions of offenders by department of corrections personnel.

By House Committee on Human Services (originally sponsored by Representatives Dickerson, O'Brien, Hurst, Morrell, Orwall, Green, Dammeier, Klippert, Walsh, Kelley and Ormsby; by request of Department of Corrections).

House Committee on Human Services
Senate Committee on Human Services & Corrections

Background: Searches of an Offender Under Supervision. Searches without a warrant are generally unreasonable *per se* unless it is demonstrated that the public interest justifies creation of an exception to the general warrant requirement. An offender who is under the supervision of the Department of Corrections (DOC) has a diminished right to privacy. Under the Fourth Amendment of the United States Constitution and Article 1, Section 7 of the Washington State Constitution, a community corrections officer (CCO) may search an offender's person, automobile, residence, or personal property without obtaining a warrant if the community corrections officer has reasonable cause to believe that the offender has violated a condition of his or her release. Reasonable cause must be based upon a well-founded suspicion that a probation violation has occurred.

A well-founded suspicion is analogous to the cause requirement of a *Terry* stop (contact with a police officer) in that it must be based upon specific and articulable facts which, taken together with rational inferences from those facts, reasonably warrant a search. A reasonable suspicion requires only sufficient probability, not absolute certainty. A well founded suspicion is a lesser standard of proof than probable cause.

Arrest of Offender Under Supervision. If an offender violates any condition or requirement of a sentence, the CCO may arrest the offender without a warrant pending a determination by the court.

The CCO may arrest the offender for a crime committed in his or her presence, and the CCO must report the facts and circumstances of the conduct of the offender with recommendations to the court. If the CCO arrests or causes the arrest of an offender, the offender is detained in the county jail of the county in which the offender was taken into custody and the offender may not be released on bail or personal recognizance except through approval of the court.

Summary: For the safety and security of the DOC staff, CCOs are granted authority to conduct pat-down searches or other limited security searches without reasonable cause when an offender is present on or while preparing to enter the premises, grounds, facilities, or vehicles of the DOC. Pat-down searches may only be conducted by like-gendered staff except in emergency situations. If the offender commits a crime in the presence of the CCO, the CCO may report the offense to either the court or the DOC hearing officer.

If an offender violates any condition or requirement of a sentence, the CCO may arrest (or cause the arrest of) the offender without a warrant, pending a determination by a court or a DOC hearing officer. The CCO may arrest an offender for an offense committed in his or her presence. The CCO is required to report the circumstances of the arrest, with recommendations, to the court or to a DOC hearing officer.

Upon the detention of an offender whom the CCO has arrested or caused to be arrested, authorized staff of the DOC, in addition to the court, have the authority to approve a release of the offender on bail or personal recognizance.

Votes on Final Passage:

House	97	0	
Senate	43	0	(Senate amended)
House	91	0	(House concurred)

Effective: July 26, 2009

SHB 1793
C 392 L 09

Addressing alternative student transportation.

By House Committee on Transportation (originally sponsored by Representatives Williams, Goodman, Nelson, White, Pedersen, Roberts, Upthegrove and Eddy).

House Committee on Transportation
Senate Committee on Transportation

Background: The federal Safe, Accountable, Flexible, Efficient, Transportation Equity Act: A Legacy for Users (SAFETEA-LU) of 2005 established a Safe Routes to Schools Program (Program). The SAFETEA-LU provided funds to be administered by state departments of transportation to provide financial assistance to state, local, and regional agencies and non-profit organizations for projects that improve safety and reduce traffic, fuel consumption, and air pollution in the vicinity of schools.

Beginning in 2005, Washington's transportation budget has provided state funds for the Program administered by the Department of Transportation (DOT). The associated budget provisos require that the DOT identify cost-effective projects and submit a prioritized list to the Legislature. The DOT provides potential grant applicants information and training and issues an annual call for projects. The DOT also contracts with nonprofit organizations to provide information and technical assistance.

Summary: The Program is established within the DOT. The purpose of the Program is to: enable and encourage children to walk and bicycle to school; make bicycling and walking to school safer and more appealing; and facilitate the planning, development, and implementation of projects and activities that improve safety and reduce traffic, fuel consumption, and air pollution in the vicinity of schools.

Votes on Final Passage:

House	83	13	
Senate	46	1	(Senate amended)
House	96	0	(House concurred)

Effective: July 26, 2009

ESHB 1794
C 84 L 09

Concerning the calculation of child support.

By House Committee on Judiciary (originally sponsored by Representative Moeller).

House Committee on Judiciary
Senate Committee on Human Services & Corrections

Background: A parent's child support obligation is determined by reference to a child support schedule. The schedule includes standards, work sheets, and an economic table that establishes a presumptive amount of child support based on the combined monthly net income (CMNI) of both parents.

To calculate net income, each parent fills out work sheets identifying his or her sources of income and deductions from that income. Once the CMNI is determined, the total monthly support obligation is established by reference to the economic table.

The specific amounts in the table are based on the number of children in the family and their ages. This amount is referred to as the "basic child support obligation" and is allocated between the parents based on each parent's share of the CMNI. The court may then consider additional expenses and reasons for deviations to come up with the actual child support amount.

The economic table is presumptive for a CMNI up to and including $5,000. The table goes up to a CMNI of $7,000. The amounts in the table are advisory and not presumptive when CMNI is between $5,000 and $7,000.

Health Care Costs. Ordinary health care expenses are included in the economic table. The table assumes that 5 percent of the basic child support obligation is spent on ordinary health care. Monthly health care expenses that exceed 5 percent of that amount are considered extraordinary and are allocated between the parties according to their proportionate share of the basic child support obligation.

Determination of Income. All income and resources of each parent's household must be disclosed and considered by the court when determining child support. Overtime, income from second jobs, and bonuses are considered in the calculation of gross income.

Some expenses may be deducted from gross income. Up to $2,000 per year in voluntary pension payments may be deducted if: (1) they are actually made; and (2) the parent made the contributions for the two tax years preceding the earlier of the tax year in which the parties separated or filed for divorce.

Imputation of Income. The court will impute income to a parent when the parent is voluntarily unemployed or voluntarily underemployed. In the absence of information to the contrary, a parent's imputed income will be based on the median income of year-round full-time workers as derived from reports from the U.S. Census Bureau.

Limitations on Amount of Child Support Ordered. There is an upper limit and a lower limit to the amount of child support that may be ordered.

Limitation of 45 percent of parent's net income: Neither parent's total child support obligation may exceed 45 percent of the parent's net income except for good cause shown. Good cause includes, but is not limited to, possession of substantial wealth, children with day care expenses, and special medical needs.

Presumptive minimum support obligation: When the parents' CMNI is less than $600, a support order of not less than $25 per child per month will be entered for each parent unless the obligated parent establishes that it would be unjust or inappropriate to do so.

Self-support reserve amount: A parent's support obligation must not reduce his or her net income below the "need standard" for one person as established by the Department of Social and Health Services (DSHS), except for the presumptive minimum payment of $25. The DSHS establishes need standards for the purposes of implementing public assistance programs. The need standard may vary by geographical areas, program, and family size.

Summary: The economic table in the child support schedule is amended to: (1) start at a CMNI of $1,000 and go up to $12,000 of CMNI; and (2) be entirely presumptive.

Health Care Costs. Ordinary health care costs are no longer considered part of the basic support obligation amount in the economic table. The assumption that 5 percent of the basic support obligation amount is for ordinary health care costs is removed. Instead, all health care costs must be shared by the parents in the same proportion as the basic support obligation. Health care costs include, but are not limited to, medical, dental, orthodontia, vision, chiropractic, mental health treatment, and prescription medications, and other similar costs for care and treatment. References to extraordinary health care costs are removed.

Limitations on Amount of Child Support Ordered. *Limitation of 45 percent of parent's net income:* Language is added to specify that the child support obligation owed for *all of a parent's biological or legal children* may not exceed 45 percent of net income except for good cause. Each child is entitled to a pro rata share of the income available for support, but the court only applies the pro rata share to the children in the case before the court. Before determining whether to apply the 45 percent limitation, the court must consider whether it would be unjust to apply the limitation after considering the best interest of the child or children and the circumstances of each parent. The court may consider whether application of the limitation would leave insufficient funds in the custodial parent's household to meet the basic needs of the child or children, and whether there are any involuntary limits on either parent's earning capacity, including incarceration, disabilities, or incapacity.

Presumptive minimum support obligation: The table starts at a CMNI of $1,000 with a presumptive minimum amount of basic support of $50.

Self-support reserve amount: The support obligation may not reduce a parent's income below 125 percent of the federal poverty guideline, rather than the need standard established by the DSHS. The self-support reserve applies to the noncustodial parent unless it would be unjust to apply it after considering the child's best interest and the circumstances of each parent.

Determining Income: Overtime, Second Jobs, and Retirement Contributions. The court must consider income from self-employment, rent, royalties, contracts, and businesses when the court determines the child support obligation of each parent. Overtime and income from second jobs are excluded from gross income if the overtime or second job was worked to provide for a current family's need, to retire past relationship debts, or to retire child support debt. The court must find that the income will cease when the party has paid off his or her debts. However, if the person with the overtime or second job income asks for a deviation from the support obligation for any reason, the court will consider that person's overtime or second job income.

The parties may deduct up to $5,000 of retirement contributions per year from their gross monthly income if there is a pattern of contributions during the one-year period preceding the action establishing child support, unless the contributions were made for the purposes of reducing child support.

Imputing Income When a Parent is Unemployed or Underemployed. Before looking to information from the U.S. Census Bureau to determine the amount of income to impute, the court must impute a parent's income based on the following information in the following order:

- full-time earnings at the current rate of pay;
- full-time earnings at the historical rate of pay;
- full-time earnings at a past rate of pay where information is incomplete or sporadic; and
- full-time earnings at minimum wage in the jurisdiction where the parent resides if the parent has a recent history of minimum wage earnings, is coming off public assistance or other programs, has recently been released from incarceration, or is a high school student.

Votes on Final Passage:

House	97	0
Senate	45	0

Effective: July 26, 2009

SHB 1808

C 168 L 09

Creating an interdisciplinary work group for paramedic and nursing training.

By House Committee on Education Appropriations (originally sponsored by Representatives Hinkle, Morrell, Bailey, Green and Kelley).

House Committee on Higher Education
House Committee on Education Appropriations
Senate Committee on Higher Education & Workforce Development

Background: Training Programs. The State Board for Community and Technical Colleges (SBCTC) has approved 24 community and technical colleges to offer practical nursing programs (LPN).

The Department of Health (DOH) approves paramedic training programs offered at Bellingham, Spokane,

Tacoma, Clark, and Columbia Basin Community Colleges culminating in the award of either a certificate or an Associate of Applied Science degree. The DOH has also approved entities like fire departments to offer paramedic training; however, for these programs students must already be trained as an Emergency Medical Technician (EMT) or firefighter.

Equivalencies and Competencies. "Course equivalency" is a term that describes how a course offered by one college or university relates to a course offered by another. If a course is viewed as equal or better than the course offered by the receiving college or university, the course can be counted as equivalent and may be used to meet graduation requirements. Faculty typically review course syllabi, skill competencies, and learning outcomes in determining whether a course is equivalent to another.

"Competencies" or "skill competencies" are the knowledge, skills, and abilities that a student should be able to demonstrate after completing a course of study. For instance, students who complete LPN programs must be able to evaluate heart rate patterns and assess and monitor peripheral blood pressure. In some cases, competencies are used as the basis for determining course equivalency.

Summary: The SBCTC must convene an interdisciplinary work group that includes faculty from a paramedic training program, an associate degree nursing program, a four-year nursing program, the Washington Center for Nursing, and the Washington State Nursing Association to identify course equivalencies and skill competencies between paramedic and nursing programs. The workgroup must report its findings to the SBCTC by July 1, 2010.

The SBCTC may use the findings from the workgroup as the basis for statewide policies governing articulation between paramedic and nursing programs.

Votes on Final Passage:

House	96	0
Senate	41	0

Effective: July 26, 2009

SHB 1812

C 404 L 09

Concerning wine labels.

By House Committee on Commerce & Labor (originally sponsored by Representatives Newhouse, Conway, Chandler, Moeller and Sullivan).

House Committee on Commerce & Labor
Senate Committee on Labor, Commerce & Consumer Protection

Background: Manufacturers, producers, bottlers, and distributors of wine must put on packages information as to the identity and quality of the wine, alcoholic content, net contents, and the name of the producer, manufacturer, or bottler. By rule, the Liquor Control Board allows a wine to be labeled with an appellation of origin if at least 75 percent of its volume is derived from both fruit or other agricultural products grown in the place or region indicated. The wine must also conform to the requirements of the law of the place or region.

The federal Alcohol and Tobacco Tax and Trade Bureau (TTB) designates American viticultural areas (AVAs) to allow vintners to better describe the origin of their wines and to allow consumers to better identify wines they may purchase. An AVA may be in one state or may cross state borders. The TTB has adopted rules specifying when certain appellations of origin may be used on a wine label. To use a label with the name of a state, at least 75 percent of the wine must be derived from fruit or agricultural products grown in the state. To use an AVA label, at least 85 percent of the wine must be derived from fruit or agricultural products grown in the AVA.

Summary: Standards are placed on the use of the appellation of origin "Washington" claimed or implied anywhere on a wine label.

- If the label states "Washington," at least 95 percent of the grapes used in the production of the wine must have been grown in Washington.
- If the label states "Washington" and the name of an AVA located wholly within Washington, at least 95 percent of the grapes used in the production of the wine must have been grown in Washington.
- If the label states "Washington" and the name of an AVA located in both Washington and an adjoining state, at least 95 percent of the grapes used in the production of the wine must have been grown in the AVA or in Washington.

If the Director of the Department of Agriculture (Director) finds evidence of material damage, destruction, disease, or other loss to one or more vineyards in any American viticultural area (AVA), region, sub-region, or other discrete area, the Director must notify the Liquor Control Board (Board) and the Board may suspend the labeling standards with respect to the adversely affected area for a period of time as the Board reasonably may determine.

The provisions do not apply to wine produced with the addition of wine spirits, brandy, or alcohol.

The standards apply to wine made from grapes harvested after December 31, 2009.

Votes on Final Passage:

House	95	0	
Senate	45	0	(Senate amended)
House	90	0	(House concurred)

Effective: July 26, 2009

EHB 1815
C 513 L 09

Concerning current use valuation under the property tax open space program.

By Representatives Sullivan, Orcutt, Hinkle, Simpson, Blake, Kristiansen, Haigh, Ericks, Van De Wege, Hope, Newhouse, Roach, Armstrong, Morrell, Takko, Campbell, McCune and Rolfes.

House Committee on Finance
Senate Committee on Agriculture & Rural Economic Development
Senate Committee on Ways & Means

Background: Most property is valued or assessed at its true and fair, or highest and best, value for the purposes of imposing property taxes. However, the state Constitution allows the Legislature to enact legislation assessing certain types of real property at its present or current use for purposes of imposing property taxes. Two programs of current use valuation have been established: one program for forest lands and a second program that includes open space lands, farm and agricultural lands, and timber lands.

Farm and agricultural lands must be devoted primarily to commercial agricultural purposes. To qualify for classification as farm and agricultural land, land of less than 20 acres must meet income tests for three of the previous five years. Farm parcels less than five acres must generate $1,500 in farm gross income, and farm parcels of between five and 20 acres must generate $200 per acre.

Department of Revenue (DOR) rules, adopted to administer the open space current use laws, require that the income be from commercial agricultural production in order to meet the income requirement. Commercial agricultural activities include: raising, harvesting, and selling lawful crops; feeding, breeding, managing, and selling of livestock, poultry, fur-bearing animals, or honey bees; dairying or selling of dairy products, animal husbandry, aquaculture, horticulture, participating in a government-funded crop reduction or acreage set-aside program, or intensive cultivation of Christmas trees or short-rotation hardwoods.

If the property no longer satisfies the criteria for classification, the assessor notifies the owner in writing that the property will be removed from the program. When the property is removed from current use classification, back taxes plus interest must be paid. For open space categories, back taxes represent the tax benefit received over the most recent seven years. There are some exceptions to the requirement for payment of back taxes.

Summary: A five to 20 acre parcel of land planted in Christmas trees, vineyards, fruit trees, or other perennial crops is eligible for current use valuation under the farm and agriculture program if crops are expected to be harvested within seven years. Parcels of five to 20 acres planted in short rotation hardwoods that are expected to be harvested in 15 years are also eligible. To be eligible, at least $100 per acre of investment in crop production must be made in the current or previous year.

When the assessor notifies the property owner that property has been removed from current use assessment the assessor will also provide information on appeal procedures, including timelines, petition forms, and county Board of Equalization contact information.

Votes on Final Passage:

House	95	0	
Senate	48	0	(Senate amended)
House	93	0	(House concurred)

Effective: July 26, 2009

SHB 1816
C 401 L 09

Regarding wireless phone numbers used by directory providers.

By House Committee on Technology, Energy & Communications (originally sponsored by Representatives Morrell, Bailey, Eddy, Rodne, Crouse and Hudgins).

House Committee on Technology, Energy & Communications
Senate Committee on Economic Development, Trade & Innovation

Background: In 2005 legislation was enacted that restricted wireless telephone companies from publishing a subscriber's wireless phone number in a directory without first obtaining the subscriber's opt-in consent. Subscribers may not be charged for choosing not to be listed in a directory. These restrictions were limited to wireless telephone companies and did not restrict third parties from including a subscriber's wireless phone number in a directory.

In 2008 similar restrictions were extended to directory providers. Directory providers may not include a Washington resident's phone number in a directory of any form without first undertaking a reasonable investigation as to whether that phone number is a wireless phone number. An investigation is presumed to be reasonable if the directory provider compares the phone number every 30 days against either: (1) a commercially available list of central office code assignment records offered through the North American Numbering Plan (NANP) or other similar service; or (2) a commercially available list of intermodal ports of telephone numbers. If an investigation reveals that a phone number is a wireless phone number, the directory provider may not include the number in a directory without first obtaining the subscriber's opt-in consent.

A provider of a reverse phone number search service must allow a subscriber to perform a reverse phone number search free of charge to determine whether the subscriber's wireless phone number is listed. If the subscriber's wireless phone number is listed in a reverse phone number search service, the subscriber may opt-out

of including the number in the reverse phone number search service. The subscriber may not be charged for opting out of listing the wireless phone number.

Any violation of these reverse phone number search service provisions is a violation of the Consumer Protection Act.

Any provider of a directory maintained before June 12, 2008, must secure opt-in consent from each subscriber listed in the directory or remove the wireless phone numbers of any subscribers who have not provided opt-in consent. This requirement does not apply to:

- a directory provider if the provider cannot determine upon reasonable investigation whether the phone number is a wireless phone number;
- a directory provider that has obtained the number from a wireless telephone company that already secured opt-in consent from the subscriber; or
- a person that publishes a subscriber's wireless phone number that was ported from listed wireline service to wireless service within the previous 15 months.

The Attorney General may bring an action to enforce compliance with any of these provisions. The Attorney General may send a warning letter for a first violation.

A wireless telephone company is listing of a wireless phone number in a directory without obtaining the subscriber's opt-in consent is punishable by a fine of at least $2,000, but no more than $50,000 for each violation.

A directory provider's listing of a wireless phone number in a directory without obtaining the subscriber's opt-in consent is punishable by a fine of up to $50,000, unless a reasonable investigation was conducted and the directory provider was unable to determine whether the phone number was a wireless phone number.

Summary: Directory providers and wireless telephone companies must remove a subscriber's wireless phone number from a directory upon request. The wireless phone number must be removed within a reasonable period of time, not to exceed 60 days for printed directories and 30 days for online directories. Failure to remove a wireless phone number within a reasonable period of time is punishable by a fine of up to $50,000.

The prohibitions on disclosure of wireless phone numbers do not apply to use of phone numbers pursuant to the Fair Credit Reporting Act or the Gramm-Leach-Bliley Act, or to phone numbers in comprehensive reports or public records if the public record is not altered from its original form. The prohibition on disclosure of wireless phone numbers also does not apply when the number is provided to, or maintained by, a law enforcement agency, fire protection agency, public health agency, public environmental agency, or emergency services planning agency, when carrying out official duties.

Provisions requiring a directory provider to secure opt-in consent for directories in existence before June 12, 2008, are repealed.

The term "directory" is defined.

Votes on Final Passage:

House	97	0	
Senate	45	0	(Senate amended)
House	91	1	(House concurred)

Effective: July 26, 2009

EHB 1824

C 475 L 09

Requiring the adoption of policies for the management of concussion and head injury in youth sports.

By Representatives Rodne, Quall, Anderson, Liias, Walsh, Pettigrew, Priest, Simpson, Kessler, Rolfes, Johnson, Sullivan and Morrell.

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

Background: School districts are encouraged to allow private nonprofit youth programs to serve an area's youth by allowing the use of the school district facilities. To further this end, school districts are provided with limited immunity from liability for injuries to youth participating in an activity offered by a private nonprofit group on school property. This immunity applies only if the private nonprofit group provides proof of accident and liability insurance to the school district before the first use of the school facilities and lasts as long as the insurance remains in effect.

A head injury prevention program is in place at the Department of Health (DOH). The DOH must provide guidelines and training information on head injuries to various entities and personnel, including educational service districts. Information regarding head injuries and concussions is also available through the U.S. Centers for Disease Control and Prevention.

Concussions range in severity from mild to severe but all interfere with the way the brain works. They can affect memory, judgment, reflexes, speech, balance, and coordination. Concussions do not necessarily involve a loss of consciousness. Many people have had concussions and not realized it.

Summary: In order for a school district to maintain immunity for acts of a private nonprofit youth program, the school district must, in addition to requiring proof of insurance, also require a statement of compliance from the program with respect to policies for the management of concussion and head injury in youth sports.

Each school district must work in concert with the Washington Interscholastic Activities Association to develop guidelines and inform coaches, athletes, and parents of the dangers of concussions and head injuries. Annually, youth athletes and their parents or guardians must sign and return a concussion and head injury form prior to the initiation of practice or competition.

A youth athlete who is suspected of sustaining a concussion or head injury must be removed from the practice or game. The athlete may not return to play until the athlete has been evaluated by a licensed health care provider and received a written clearance to play.

The licensed health care provider, from whom clearance to return to play is received, may be a volunteer. A volunteer who authorizes return to play is not liable for civil damages unless the volunteer's actions constitute gross negligence or willful or wanton misconduct.

This act is to be known and cited as the Zackery Lystedt law.

Votes on Final Passage:

House	94	0	
Senate	45	0	(Senate amended)
House	98	0	(House concurred)

Effective: July 26, 2009

SHB 1825

C 121 L 09

Identifying specific facilities planning requirements under the growth management act.

By House Committee on Local Government & Housing (originally sponsored by Representatives Rodne and Anderson).

House Committee on Local Government & Housing
Senate Committee on Government Operations & Elections

Background: Overview of the Growth Management Act.

The Growth Management Act (GMA) establishes a comprehensive land use planning framework for county and city governments in Washington. The GMA requires all local governments to comply with specific provisions for natural resource lands and critical areas, and establishes additional substantive and procedural compliance requirements for counties and cities meeting population and growth criteria. Counties not meeting these criteria may choose to adopt a resolution requiring the county and the cities within the county to comply with all major GMA requirements. As of 2009, 29 of 39 counties, and the cities within those 29 counties, are required to or have chosen to plan under the major requirements of the GMA.

The GMA establishes a list of planning goals to be used exclusively for guiding the development and adoption of comprehensive plans and development regulations by GMA jurisdictions.

County-wide Planning Policy Required by the Growth Management Act.

The legislative authority of each county fully planning under the GMA must adopt a "county-wide planning policy" (CPP) in cooperation with the cities located in whole or part within the county. A CPP is a written policy statement used for establishing a county-wide framework from which county and city comprehensive plans are developed and adopted. A CPP must address certain planning and analysis provisions, including policy considerations pertaining to:

- urban growth area requirements;
- affordable housing needs;
- countywide economic development and employment;
- public capital facilities; and
- transportation needs.

Population Projections and Planning for Urban Growth Areas. Counties and cities are also required to satisfy specific planning requirements pertaining to urban growth areas (UGAs). Using population projections made by the Office of Financial Management, and subject to statutory requirements, GMA counties and each city within those counties must plan for population densities in UGAs so as to accommodate the urban growth that is projected to occur during the succeeding 20-year period.

Summary: Planning for Development Within Urban Growth Areas. As part of the planning process for UGAs, each city within the county must explicitly identify areas sufficient to accommodate the full range of needs and uses that will accompany projected urban growth. The land uses that must be explicitly considered as part of the planning process include those pertaining to facilities for medical, governmental, institutional, commercial, service, retail, and other nonresidential uses, when appropriate under the circumstances existing within the planning jurisdiction.

County-wide Planning Policies. Policies for county-wide economic development and employment must include consideration of the future development of commercial and industrial facilities.

Amendments to GMA Comprehensive Plans and/or Development Regulations. The requirement that amendments to GMA comprehensive plans provide for sufficient land capacity to accommodate projected housing and employment growth is expanded to require the inclusion of the land needed for specified categories of facilities. Specifically, such amendments must include sufficient land capacity to accommodate medical, governmental, educational, institutional, commercial, and industrial facilities related to such growth, when appropriate under the circumstances existing within the planning jurisdiction.

Votes on Final Passage:

House	95	0
Senate	45	0

Effective: July 26, 2009

HB 1826
C 122 L 09

Addressing the proceeds from foreclosure sales.

By Representatives Rodne, Pedersen and Santos.

House Committee on Judiciary
Senate Committee on Financial Institutions, Housing & Insurance

Background: Mortgages and deeds of trust are two forms of security interest in real property used for real estate financing. A mortgage is a pledge of real property as security for a debt owed to the lender (mortgagee). A mortgage creates a lien on the real property. A deed of trust is basically a three-party mortgage. The borrower (grantor) grants a deed creating a lien on the real property to a third party (the trustee) who holds the deed in trust as security for an obligation due to the lender (the beneficiary).

A mortgage may be foreclosed only through a judicial proceeding according to detailed statutory requirements. Judicial foreclosure allows the mortgagee to obtain a deficiency judgment if the sale does not satisfy the mortgage obligation. In addition, the judicial foreclosure process allows for statutory redemption rights for the mortgage debtor and certain junior lien holders. Statutory redemption rights allow the mortgage debtor and other lien holders a certain period of time after the foreclosure sale to buy the property from the purchaser for the price paid at the sale.

Deeds of trust may be foreclosed either through a judicial process or a non-judicial trustee's sale process. Non-judicial foreclosure does not include the ability to obtain a deficiency judgment or statutory redemption rights.

When a mortgage is foreclosed, a statute provides that any surplus proceeds from the sale that remain after the mortgage obligation has been paid must be disbursed to the mortgage debtor. In contrast, the Deed of Trust Act provides a process for junior liens or interests in the property to attach to the surplus proceeds that remain after the expenses of the sale and the deed of trust obligation are paid. Surplus proceeds are deposited with the clerk of the court and may be disbursed upon court order.

Summary: Any surplus proceeds of a mortgage foreclosure sale that remain after the mortgage obligation has been paid must be applied to all other interests in, or liens or claims against, the property in the order of priority that the interest, lien, or claim attached to the property. Any remaining surplus must be paid to the mortgage debtor.

Votes on Final Passage:

House	96	0	
Senate	46	0	

Effective: July 26, 2009

HB 1835
C 377 L 09

Concerning the use of respectful language in state statutes.

By Representatives Angel, Rolfes, Hinkle, Anderson, Haler, Short, Parker, Johnson, Bailey, Pedersen and Warnick.

House Committee on State Government & Tribal Affairs
Senate Committee on Health & Long-Term Care

Background: The Revised Code of Washington and the Washington Administrative Code both contain extensive references to various individuals with disabilities. With the exception of language used as a specific term of art for purposes of the criminal code and criminal sentencing, these references are generally not essential to describing the circumstances of the particular individual.

Recent legislation has adopted terms that emphasize the individuality of people, no matter what their physical characteristics. Older legislative language utilized terms appropriate to the moment, some of which are neither appropriate nor specifically necessary for the law.

In 2004 legislation was enacted that required the Code Reviser to avoid references to certain words frequently used to describe individuals with disabilities. The specific terms are disabled, developmentally disabled, mentally disabled, mentally ill, mentally retarded, handicapped, cripple, and crippled.

These terms are to be avoided in future laws as well as to be replaced in existing statutes as those statutes are amended by law. The replacement terms are "individuals with disabilities," "individuals with developmental disabilities," "individuals with mental disabilities," "individuals with mental illness," and "individuals with mental retardation."

Agency orders must also reflect the changes in language. Agencies must use respectful language in creating new rules or amending old rules.

Summary: The preferred term to be used in statutes, memorials, and resolutions is changed from "individuals with mental retardation" to "individuals with intellectual disabilities." The Code Reviser must replace the term "mental retardation" with the term "intellectual disability." The Code Reviser must submit a bill with recommendations to the Legislature by December 1, 2009, concerning the replacement of the phrase "mental retardation" with the phrase "intellectual disability" as well as any other perfecting changes to the Revised Code of Washington.

Votes on Final Passage:

House	94	0	
Senate	46	0	(Senate amended)
House	92	0	(House concurred)

Effective: July 26, 2009

SHB 1843
C 46 L 09

Addressing motor carrier regulation and compliance review.

By House Committee on Transportation (originally sponsored by Representatives Kagi, Rodne and Kenney; by request of Utilities & Transportation Commission and Washington State Patrol).

House Committee on Transportation
Senate Committee on Transportation

Background: Substitute House Bill 2987 was enacted in 2006 directing the Washington State Patrol (WSP) to develop recommendations for improving the safe operation of commercial motor vehicles on Washington's highways and roads. Certain motor carriers operate commercial motor vehicles solely within Washington (intrastate), while other motor carriers operate in multiple states (interstate). In 2007 Substitute House Bill 1304 was enacted implementing the recommendations of the work group that worked on the issues during the 2006 interim. The work group included the WSP, the Department of Licensing, Utilities and Transportation Commission (UTC), the Washington Trucking Association, the Washington Refuse and Recycling Association, the Attorney General's Office, and other motor carrier stakeholders.

The Federal Motor Carrier Safety Administration (FMCSA) regulates interstate motor carriers. The FMCSA and the WSP perform compliance reviews of interstate motor carriers. The FMCSA requires that interstate motor carriers have United States Department of Transportation (USDOT) numbers that enable the FMCSA and the WSP to maintain a safety rating on those carriers.

The 2006 workgroup recommendations included that intrastate motor carriers operating certain commercial vehicles with a gross weight over 26,001 pounds or carrying hazardous materials be required to apply for USDOT numbers. Motor carriers with commercial motor vehicles weighing between 16,001 and 26,000 pounds, unless exempt, must apply for a USDOT number by January 1, 2011. However, motor carriers regulated under the UTC are exempt from these requirements. These include private, nonprofit transportation providers, auto transportation companies, charter and excursion service carriers, solid waste haulers, and household goods carriers.

The WSP uses data-driven analysis to identify and prioritize inspection and compliance reviews of interstate and intrastate motor carriers who have been identified as high-risk carriers. During these safety audits and compliance reviews there may be enforcement actions, including monetary fees and penalties which range from a $250 re-inspection fee to a maximum penalty of $11,000. Prior to the 2007 legislation, the WSP was allowed to receive mitigation requests from motor carriers, which may have allowed the motor carriers to come into compliance and potentially reduced their penalties.

Summary: Motor carriers that are regulated by the UTC are required to apply for a USDOT number by January 1, 2010. These carriers include private, non-profit transportation providers, auto transportation companies, charter and excursion service carriers, solid waste haulers, and household goods carriers. The UTC is responsible for the adoption and enforcement of safety requirements operated by the UTC-regulated companies, and those companies must comply with the safety requirements adopted by the UTC.

The regulations enacted in 2007 will apply to the entities regulated by the UTC, which includes placing a USDOT number out of service for violating a UTC cease and desist order. The term "motor carrier" is changed to "applicant" in regard to USDOT numbers, since not all of the UTC-regulated industries are motor carriers as defined by the WSP and the FMCSA.

Only carriers subject to highway inspections and compliance reviews by the WSP and not by the UTC are required to pay a fee of $16 for each motor vehicle base plated in the state.

A high-risk carrier is liable for double the amount of the penalty of a prior violation if the high-risk carrier repeats the same violation during a follow-up compliance review. Each repeat violation is a separate and distinct offense and, in the case of repeat continuing violations, each day's continuance is a separate and distinct violation.

Existing penalty amounts for employers and drivers are based on each violation.

A mitigation process is established for a motor carrier who incurs a penalty, except that a high-risk carrier who incurs a penalty for a repeat violation may, upon written application, request that the WSP mitigate the penalty. The application for mitigation must be received by the WSP within 20 days of the receipt of the penalty notice. The WSP may decline to consider any application for mitigation.

The motor carrier has a right to an administrative hearing to contest the violation or the penalty imposed or both. Any request for an administrative hearing must be made in writing and be received by the WSP within 20 days after the later of the receipt of the notice imposing the penalty or disposition of a request for mitigation, or the right to a hearing is waived.

Votes on Final Passage:

House	80	15
Senate	42	6

Effective: July 26, 2009

HB 1844
C 169 L 09

Requiring criminal history record checks of current and prospective department of licensing employees who issue or may issue enhanced drivers' licenses and identicards.

By Representatives Moeller, Ericksen, Finn, Hudgins, Driscoll, Kelley and Morrell; by request of Department of Licensing.

House Committee on Transportation
Senate Committee on Transportation

Background: The federal Intelligence Reform and Terrorism Prevention Act of 2004 mandated that the Secretary of Homeland Security, in consultation with the Secretary of State, develop and implement a plan to require United States citizens and foreign nationals to present a passport or other secure document when entering the United States. In April 2005 the departments of State and Homeland Security announced the Western Hemisphere Travel Initiative (WHTI), which will ultimately require individuals entering or re-entering the United States to present a passport or other acceptable secure identification. The identification requirements of the WHTI are scheduled to take full effect on June 1, 2009.

When announcing the WHTI, the departments of State and Homeland Security identified the passport as the document of choice for entry or re-entry into the United States, but acknowledged that certain other documents might be acceptable in lieu of a passport. Pursuant to this option, the Department of Licensing (DOL) began issuing a voluntary, enhanced driver's license or identicard (EDL) to an applicant who, in addition to meeting all other driver's license or identicard requirements, provides the DOL with proof of U.S. citizenship, identity, and state residency, and successfully completes an interview with a DOL licensing services representative. The EDL includes a biometric matching system based on facial recognition technology.

In order to issue the EDL, the DOL agreed to allow the Department of Homeland Security (DHS) to conduct background checks on employees involved in the issuance of the cards. The agreement pursuant to which the DHS conducts these background checks expires at the end of June 2009.

Summary: The DOL is required to investigate the conviction records of, and pending charges against, any current or prospective employee with the ability to issue an EDL or the ability to create or modify records of applicants for an EDL. This investigation takes the form of a background check through the Washington State Patrol and the Federal Bureau of Investigation. The DOL is also required to reinvestigate such employees every five years.

Votes on Final Passage:

House	97	0
Senate	46	0

Effective: July 26, 2009

SHB 1845
C 476 L 09

Concerning medical support obligations.

By House Committee on Judiciary (originally sponsored by Representatives Rodne and Pedersen; by request of Department of Social and Health Services).

House Committee on Judiciary
House Committee on Health & Human Services Appropriations
Senate Committee on Human Services & Corrections

Background: As a condition of receiving federal funds for various programs, federal law requires states to have an approved child support program. As part of an approved program, states must issue child support orders that provide for the child's health care coverage. Federal regulations adopted in 2008 require states to: (1) consider health insurance available to either parent at the time of entering a support order; and (2) require an obligated parent to pay a cash medical support obligation if health insurance is not available through the obligated parent. A cash medical support obligation requires the obligated parent to pay a proportional share of either an insurance premium for private insurance that is paid by the other parent or the amount paid by the state to cover the child through Medicaid.

Washington's child support statutes already require the court to order either or both parents to provide health insurance coverage for the child if coverage is or becomes available through a parent's employer and the cost is less than 25 percent of the obligated parent's basic child support obligation. The court may also require the parent to provide for the uninsured medical costs of the children. Washington's statutes do not address "cash medical support" obligations.

Health insurance coverage is enforced by the Department of Social and Health Services (DSHS) through a standardized notice developed by the federal government called the "National Medical Support Notice." When a notice is issued to an employer, the employer must respond. If health insurance is available, the employer must withhold the necessary premium and forward the notice to a health insurance provider.

Summary: The court must require both parents to provide medical support for any child named in the support order by providing health insurance coverage or contributing cash medical support. In addition, both parents are responsible for paying their proportionate share of any uninsured medical expenses. If there is sufficient evidence provided at the time the order is entered, the court may determine which parent must provide coverage and which parent must contribute an amount toward the premium. If both parents have health insurance coverage

that is accessible to the child when the support order is entered, the court may order the parent with better coverage to provide health insurance and require the other parent to pay an amount toward the premium. A parent required to provide health insurance may provide coverage through: (1) private insurance; or (2) an employer or union if the cost of that coverage does not exceed 25 percent of the parent's basic child support obligation. If the court does not specify how medical support will be provided, the DSHS or either parent may enforce the medical support obligation.

The DSHS may enforce an obligated parent's medical support obligation by first seeking health insurance coverage. If coverage is not available, the DSHS will enforce a cash medical support obligation. If a specific amount for cash medical support is not specified in the order, the DSHS may serve notice on the parent to determine the amount. Parties may seek enforcement of a medical support obligation on their own through superior court.

When cash medical support is collected and the child is covered through Medicaid, the DSHS may retain the funds as reimbursement or pass the funds through to the parent to be used for medical costs. A receiving parent may be required to account for how cash medical support is being used to benefit the child. Enforcement of health insurance coverage using the National Medical Support Notice is limited to enforcing coverage against the obligated parent.

A parent required to provide health insurance coverage must notify the DSHS and the other parent when coverage terminates.

Votes on Final Passage:

House	96	0	
Senate	48	0	(Senate amended)
House			(House refuses to concur)
Senate	47	0	(Senate amended)
House	94	0	(House concurred)

Effective: October 1, 2009

ESHB 1847

C 229 L 09

Regarding bid limits.

By House Committee on State Government & Tribal Affairs (originally sponsored by Representative Haigh).

House Committee on State Government & Tribal Affairs
Senate Committee on Government Operations & Elections

Background: Public entities are required to use a competitive bid process for public works projects and purchases estimated to cost above a certain dollar figure. Public works projects estimated to cost below an established dollar limit may be performed by in-house staff or contracted without a competitive bid. An alternative process for competitive bidding for public works is provided through the small works roster process. Under that process, a public entity may secure bids from five or more contractors that are on the roster without advertising.

As with public works, purchases estimated to cost below an established dollar limit may be purchased without a competitive bid. Municipalities are offered an alternative process for competitive bidding of purchases through a vendor list process. The process may be used only by those municipalities that have statutory authorization. Statutes governing which municipalities may use the process must include the maximum dollar thresholds for contracts awarded under the process. Contracts awarded using this process do not need to be advertised.

Different public entities have different dollar limits triggering a competitive bid. The basic proposition of competitive bidding procedures is that the contract is awarded to the lowest responsible bidder.

Summary: Bid limits for public works and purchases of materials, supplies, or equipment are increased.

Public works bid limits for higher education, first class cities, and counties with a population over 400,000 are raised to $45,000 if only one trade or craft is involved, and $90,000 if two or more trades are involved. For second class cities and towns and code cities, the limits are raised to $40,000 for one trade, and $65,000 for two or more trades. Bid limits for counties with a population of 400,000 and under are raised from $10,000 to $40,000 regardless of the number of trades involved. Bid limits for hospital districts are raised from $50,000 to $75,000. For metropolitan park districts (MPDs), fire protection districts, and water sewer districts bid limits are raised to $20,000, regardless of the number of trades involved.

Requirements are added to allow MPDs to purchase materials, supplies, or equipment estimated to cost less than $40,000 without competitive bidding. Purchases estimated in excess of $40,000 must be made by competitive bid, and purchases less than $50,000 must be made using the vendor list process. Authority is given to MPDs to let contracts for purchases of materials, supplies, or equipment with suppliers designated on current state agency, county, city, or town purchasing rosters when the roster has been established in accordance with the competitive bidding law for that state agency, county, city, or town. The price and terms for purchases will be as prescribed on the applicable roster.

The dollar amount for purchases that must be made by competitive contract is increased from $10,000 to $40,000 for water and sewer districts.

Votes on Final Passage:

House	89	6
Senate	39	7

Effective: July 26, 2009

HB 1852
C 170 L 09

Modifying provisions relating to record checks using fingerprints.

By Representatives Appleton and Hinkle; by request of Washington State Patrol.

House Committee on Public Safety & Emergency Preparedness
Senate Committee on Early Learning & K-12 Education

Background: School districts require new applicants who will have regularly scheduled unsupervised access to children to obtain a background record check through the Washington State Patrol (WSP) using fingerprints. Other employees, such as school secretaries and janitorial and maintenance staff, are not required to obtain such a check. As a practical matter, however, many school districts conduct background checks on all applicants.

There is an incremental fee schedule for record checks for classified and non-classified school employees. Under this fee schedule, private school employees, contractors, classified employees, and certification applicants are charged one fee ($60.25) while school district and educational service district employees are charged another fee ($50.25).

The Joint Task Force on Criminal Background Check Processes (Task Force) was created during the 2004 legislative session. The purpose of the Task Force was to review and make recommendations regarding improving the state's criminal background check processes. The Task Force was extended and expanded through subsequent legislation in 2005 and 2006. In January 2007 the Task Force issued its final report, which included recommendations. One of the recommendations included eliminating incremental fees for background record checks to allow all school employees, contractors, and school district and educational district employees to pay the same fee.

Summary: The requirement that the WSP charge only incremental fees for fingerprint-based background checks for school district and educational service district employees is eliminated. (All school employees and contractors must pay the same fee for a fingerprint-based criminal background check.)

Votes on Final Passage:

House	97	0
Senate	47	0

Effective: July 26, 2009

SHB 1856
C 395 L 09

Providing certain procedures for tenants who are victims of sexual assault, unlawful harassment, and stalking.

By House Committee on Judiciary (originally sponsored by Representatives Kessler, Pedersen, Flannigan, Roberts, Kirby, Nelson, Ormsby, Carlyle, Green, Moeller, Springer, Williams, Appleton, Goodman, Kelley, Maxwell, Rodne, Driscoll, Kenney, Santos, O'Brien, Darneille and Morrell).

House Committee on Judiciary
Senate Committee on Human Services & Corrections

Background: The Residential Landlord-Tenant Act (RLTA) regulates the relationship between tenants and landlords. The RLTA provides requirements, duties, rights, and remedies with respect to the landlord-tenant relationship.

Early Termination of a Rental Agreement. The RLTA specifies certain circumstances under which a landlord or tenant may terminate a tenancy without further obligation under the rental or lease agreement. One such circumstance allows a tenant or a household member who is a victim of domestic violence, sexual assault, or stalking to terminate a rental or lease agreement without further obligation under the agreement if: (1) the tenant provides the landlord with written notice that he or she was the victim of one of these acts within 90 days of the reported act or incident; and (2) the tenant provides the landlord with either a valid protection order or a record of report signed by a qualified third party. Qualified third parties include law enforcement officers, certain health professionals, employees of state courts, and licensed mental health professionals or other licensed counselors.

A tenant who terminates a rental or lease agreement as a result of domestic violence, sexual assault, or stalking is entitled to the return of the full deposit notwithstanding rental or lease provisions that allow forfeiture of a deposit for early termination.

Summary: Early Termination of a Rental Agreement. A tenant who is a victim of unlawful harassment may terminate a rental or lease agreement without further obligation under the agreement if: (1) the tenant provides the landlord with written notice that he or she was the victim of unlawful harassment within 90 days of the reported act or incident; and (2) the tenant provides the landlord with either a valid protection order or a record of report signed by a qualified third party.

A tenant who is a victim of sexual assault, stalking, or unlawful harassment by a landlord may terminate the rental or lease agreement and is discharged from any further obligations under the agreement when certain conditions are met. A tenant must deliver a copy of a valid protection order or a record of report signed by a qualified third party to the landlord within seven days of quitting the dwelling. The record of the report provided to the landlord must not

include the name of the alleged perpetrator. The qualified third party is required to provide the name of the alleged perpetrator to the landlord, upon written request, if the alleged perpetrator meets the definition of landlord. Landlord is defined to include a landlord's employees.

Unlawful harassment is defined as acts that fall within the meaning of unlawful harassment set forth in the criminal code. Unlawful harassment also includes any request for sexual favors made to a tenant or household member in return for a change in or performance of any or all terms of a lease or rental agreement.

A tenant who terminates a rental agreement under these provisions is entitled to a pro rata refund of any prepaid rent and a specific statement explaining the basis for the withholding of any portion of the deposit.

Changing or Adding Locks. A tenant who is the victim of sexual assault, stalking, or unlawful harassment by a landlord is permitted to change or add locks to the tenant's dwelling at the tenant's expense if, within seven days of changing or adding locks to the dwelling, the tenant delivers written notice of the lock change and a copy of the protection order or record of report to the landlord. If the tenant changes or adds locks to the dwelling, the rental agreement will terminate on the 90th day following the notice of the lock change being provided to the landlord, unless the tenant notifies the landlord within 60 days of such notice that he or she is terminating or does not wish to terminate the rental agreement. The tenant is required to provide a copy of the dwelling's key to the owner when the perpetrator has been identified by the qualified third party, is no longer an employee or agent of the landlord or owner, and does not reside on the property.

Landlord Access to Dwelling. In the case of an emergency, a landlord is permitted to enter the tenant's dwelling if accompanied by a law enforcement or fire official. In the case of a non-emergency, the tenant is required to make arrangements to allow the landlord access to the dwelling if the landlord complies with right-of-entry laws established under the RLTA and provides the tenant with specific notice indicating the date and time the landlord intends to enter the dwelling.

Votes on Final Passage:

House	95	0	
Senate	45	0	(Senate amended)
House	92	0	(House concurred)

Effective: July 26, 2009

SHB 1869

C 529 L 09

Concerning the transparency of health care cost information.

By House Committee on Health Care & Wellness (originally sponsored by Representatives Bailey, Hinkle, Anderson, Ericksen and Kelley).

House Committee on Health Care & Wellness
Senate Committee on Health & Long-Term Care

Background: There is little transparency in the cost of health care services for consumers. Most health care delivered is paid primarily by a third party: either a health insurance carrier or a public program that purchases health care for covered individuals. Transparency and better public information on the cost and quality of health care can help providers improve by benchmarking their performance against others, encouraging private insurers and public programs to reward quality and efficiency, and helping patients make informed choices about their care.

Summary: All fees and charges for health care services by health care providers and licensed facilities must be disclosed at the request of the patient. Providers and facilities may refer a patient to the patient's insurer for specific information on the insurer's charges and fees, any cost-sharing responsibilities required of the patient, and the network status of ancillary providers who may or may not share the same network status as the provider or facility. Providers and facilities must post a sign in patient registration areas indicating patients may ask about the estimated charges of the health services.

Votes on Final Passage:

House	95	0	
Senate	46	0	(Senate amended)
House			(House refuses to concur)
Senate	49	0	(Senate amended)
House	94	0	(House concurred)

Effective: July 26, 2009

HB 1878

C 47 L 09

Authorizing the transfer of accumulated leave of employees of the state school for the blind and the school for the deaf.

By Representatives Jacks, Driscoll, Maxwell, Wallace, Quall, Green, Darneille, Moeller and Kenney; by request of Washington State School for the Blind.

House Committee on Ways & Means
Senate Committee on Ways & Means

Background: State and school district employees earn leave time for illness and other purposes. Accumulated leave of certificated and classified employees is

transferrable to and from one school district to another, the Office of Superintendent of Public Instruction, and the Educational Service Districts (ESDs).

In 2008 the Legislature extended this transferability to the K-12 and higher education schools. However, K-12 and ESD employees cannot transfer their accumulated leave if they accept employment at the Washington State School for the Blind or the Washington School for the Deaf, which are state agencies. Similarly, employees of these schools lose their accumulated leave if they transfer to a K-12 school or ESD.

Summary: The transfer of accumulated leave for illness or injury of K-12 and ESD employees to and from the Washington State School for the Blind and School for the Deaf is authorized.

Votes on Final Passage:

House	96	0
Senate	48	0

Effective: July 26, 2009

E2SHB 1879

C 381 L 09

Providing for the delivery of educational services to children who are deaf and hard of hearing.

By House Committee on Education Appropriations (originally sponsored by Representatives Jacks, Kagi, Moeller, Orcutt, Wallace, Appleton and Kenney).

House Committee on Early Learning & Children's Services
House Committee on Education Appropriations
Senate Committee on Early Learning & K-12 Education

Background: The Washington School for the Deaf (WSD) traces its history back to 1886 when the first facility was established in Vancouver, Clark County, by then territorial Governor, Watson Squire. In 1888 the original property was exchanged for the site where the WSD sits today. In 1906 the WSD became officially known as the State School for the Deaf and Blind. Seven years later, in 1913, the schools were separated to create the Washington School for the Deaf and the Washington State School for the Blind. Much of the statutory framework for operation of the WSD has remained relatively unchanged since 1985.

In 2002 the Washington State Institute for Public Policy (Institute) examined various models of deaf education and service delivery. In 2006 the Institute studied issues relating to the governance and operation of the WSD. Following that study, the Legislature appropriated $55,000 to the Institute for the purpose of contracting with a facilitator to conduct a series of meetings with stakeholders to discuss strengths and weaknesses of educational services available statewide to children who are deaf or hearing impaired.

In June 2007 the Institute published its report recommending that a single state agency be charged with overseeing the quality and outcomes of local, regional, and statewide schools and programs serving students who are deaf, hard of hearing, and deaf-blind. These recommendations represented a consensus of stakeholders.

Summary: The Washington State Center for Childhood Deafness and Hearing Loss (Center) is established. The WSD in Vancouver will remain as part of the Center. The currently appointed Superintendent of the WSD will become the Director of the Center and the WSD Board of Trustees will become the Governing Board for the Center. The governance structure of the Center will be the same as it is for the WSD.

The Center's primary functions will be to:

- provide statewide leadership and support for coordination of regionally-delivered deaf education services in the full range of communication modalities;
- manage and supervise the WSD; and
- collaborate with public and private partners in developing an applied research center for training and professional development for educators serving children who are deaf or hearing impaired.

The powers and duties of the Director of the Center include all powers and duties currently defined for the Superintendent of the WSD, plus the following additional duties:

- providing technical assistance and administrative support to educational service districts for the regional delivery of services to students who are deaf or hearing impaired; and
- providing technical assistance and support as appropriate to local and regional efforts to build critical mass and communication-rich networking opportunities for children who are deaf or hearing impaired and their families.

The Director and board of trustees of the Center will consult with stakeholders for the purpose of planning the implementation of demonstration programs in two educational service districts (ESDs) for the delivery of education services in the full range of communication modalities to children who are deaf and hard of hearing. Stakeholders will include the OSPI's Washington Sensory Disabilities Services, the DSHS's Office of Deaf and Hard of Hearing, parents of children who are deaf and hard of hearing, adults and students who are deaf or hard of hearing, an ESD superintendent, a school district superintendent, the Department of Health, the Department of Early Learning, and two non-governmental entities.

The Director and board of trustees will select and consult with two ESDs, one of which must be in Eastern Washington. By December 31, 2010, the board and director will report to the Legislature and the Governor with recommendations for the implementation and operation of the demonstration sites.

The term "School for the Deaf" is replaced with "Washington State Center for Childhood Deafness and Hearing Loss" in numerous statutes.

Votes on Final Passage:

House	96	0	
Senate	46	0	(Senate amended)
House	92	0	(House concurred)

Effective: July 26, 2009

HB 1888

C 233 L 09

Repealing RCW 46.12.295.

By Representatives Springer and Angel.

House Committee on Local Government & Housing
Senate Committee on Financial Institutions, Housing & Insurance

Background: Until 1990 mobile homes were regulated by two state agencies, the Department of Licensing (DOL) and the Department of Labor and Industries (L&I). The DOL regulated the titling of mobile homes, while the L&I's duties included enforcement of the building code.

In 1990 all duties related to mobile homes were transferred to the Department of Community, Trade and Economic Development (DCTED). The DCTED fulfilled this duty by contracting with the DOL and the L&I to continue to provide their respective services.

In 2007 the responsibility for mobile home functions being performed by the DCTED were transferred back to the L&I.

The DCTED continues to administer mobile home titling functions by contracting with the DOL for the service.

Summary: The law transferring titling functions for mobile homes from the DOL to DCTED is repealed.

Votes on Final Passage:

House	97	0
Senate	47	0

Effective: July 26, 2009

2SHB 1899

C 403 L 09

Concerning physicians holding a retired active license.

By House Committee on Health & Human Services Appropriations (originally sponsored by Representatives Warnick and Hinkle).

House Committee on Health Care & Wellness
House Committee on Health & Human Services Appropriations
Senate Committee on Health & Long-Term Care

Background: Disciplining authorities, such as the Medical Quality Assurance Commission (MQAC), are statutorily authorized to create a special license for retired active practitioners. Such a licensee may practice only in emergent or intermittent circumstances, must meet continuing education and competency requirements, is subject to the Uniform Disciplinary Act, and pays a reduced renewal fee.

The MQAC has established requirements for retired active physicians. Under rules promulgated by the MQAC, a retired active physician:

- must practice for no compensation; and
- may only provide primary care services in community clinics that are operated by public or private tax-exempt corporations.

Physicians holding a retired active license must meet the same continuing education requirement for all other physicians, which is 200 hours every four years. The renewal fee for a retired active physician is $160 per year (active physicians pay $645 every two years).

Summary: The number of hours of mandatory continuing education for a retired active physician may not exceed 50 hours per year (as opposed to 200 hours every four years). Retired active physicians who reside and practice in Washington are exempt from licensing fees associated with their licenses.

The MQAC must consider amending its rules on retired active physicians in a manner that improves access to health care services without compromising public safety. The MQAC must consider, at a minimum:

- whether retired active physicians should be allowed to provide services beyond primary care;
- whether retired active physicians should be allowed to provide services in settings beyond community clinics; and
- the number and type of continuing education hours that retired active physicians are required to obtain.

The MQAC must determine whether it will amend its rules by November 15, 2009. If the MQAC determines that it will not amend its rules, it must provide a written explanation of its decision to the Legislature no later than December 1, 2009.

Votes on Final Passage:

House	96	0	
Senate	44	0	(Senate amended)
House	93	0	(House concurred)

Effective: July 26, 2009

ESHB 1906

C 3 L 09

Improving economic security through unemployment compensation.

By House Committee on Commerce & Labor (originally sponsored by Representatives Conway, Kenney, Wood, Moeller, Green, Hudgins, Williams, Dickerson, Sells, Sullivan, Appleton, Morrell, Hasegawa, Darneille, Ormsby, Kagi, Van De Wege, Santos, Goodman, McCoy, Cody, Simpson and Nelson).

House Committee on Commerce & Labor
Senate Committee on Labor, Commerce & Consumer Protection

Background: The unemployment compensation system is designed and intended to provide partial wage replacement for workers who are unemployed through no fault of their own. Eligible unemployed workers receive benefits based on their earnings in their base year. Most covered employers pay contributions (payroll taxes) to finance benefits. The Employment Security Department (Department) administers the system.

Unemployment Benefits. The maximum amount of regular benefits payable in an individual's benefit year is the lesser of 26 times the individual's weekly benefit amount or one-third of the individual's base year wages. (This amount is commonly expressed in terms of duration. In those terms, the maximum duration of regular benefits is 26 weeks.)

An individual's weekly benefit amount is 3.85 percent of the average of the individual's wages in the two quarters of the base year in which wages were highest. The maximum amount payable weekly is 63 percent of the average weekly wage. The minimum amount payable weekly is 15 percent of the average weekly wage. As of July 1, 2008, the maximum amount is $541 and the minimum amount is $129.

Training Benefits Program. The training benefits program was established in 2000. The program allows an eligible unemployed dislocated worker to receive additional benefits while he or she is in retraining.

An individual is eligible to receive training benefits if he or she is unlikely to return to employment in his or her principal occupation or previous industry because of a diminishing demand for his or her skills, worked in an occupation or with a particular set of skills for at least two of the last four years, and needs job-related training to find suitable employment in his or her labor market.

Individuals who are not eligible for training benefits include an individual on standby status, an individual who has a definite recall date, and an individual unemployed due to regular seasonal layoffs.

The individual must submit a training plan to the Department within 60 days of the individual's notification of the program's requirements. The individual must enter the approved training program within 90 days, be enrolled in training on a full-time basis, and make satisfactory progress toward completion of the training plan. The training must target a high demand occupation and may include vocational training or courses needed as a prerequisite to that training. The training may not include courses primarily intended for completion of a baccalaureate degree.

The maximum amount of training benefits payable in an individual's benefit year is 52 times the individual's weekly benefit amount (less weeks of regular benefits and extended benefits paid). The weekly benefit amount is the same as the amount the individual receives as regular benefits. An individual may qualify for this program only once every five years.

Training benefits are subject to available funding. Funding is limited to $20 million for each fiscal year. Any funds not obligated in one fiscal year may be carried forward to the next fiscal year.

Shared Work Program. The shared work program was established in 1983. The program provides for the payment of partial unemployment compensation benefits "in situations where qualified employers elect to retain employees at reduced hours rather than instituting layoffs."

Employees may receive unemployment compensation under an employer's approved shared work plan only if certain criteria are met. One of these criteria is that the plan apply to at least 10 percent of the employees in an affected unit. Employees are restricted to a maximum of 26 weeks of benefits during any 12-month period.

Unemployment Taxes. Employers are required to pay contributions (payroll taxes) to finance unemployment benefits, unless they are exempt from coverage or reimburse the Department for benefits paid to their former workers. Contribution rates are based, in part, on layoff experience and benefits charged to employers' experience rating accounts. They are also based, in part, on non-charged benefits and other socialized costs.

Summary: The Economic Security Act of 2009 is adopted. Unemployment benefits are temporarily increased, and the training benefits program and the shared work program are modified.

Unemployment Benefits. An additional $45 is added to an individual's weekly benefit amount. The minimum amount payable weekly is $155. Corresponding increases are made to the maximum amount of regular benefits payable (maximum duration) and the maximum amount payable weekly.

These changes apply to all weeks of benefits for claims with an effective date on or after May 3, 2009, and before January 3, 2010. They also apply to weeks of benefits beginning on or after May 3, 2009, for claims with an effective date before that date. These changes do not apply to claims with an effective date on or after January 3, 2010.

Training Benefits Program. The eligibility requirements for the training benefits program are revised, and a reporting requirement is established.

In addition to certain dislocated workers, the following individuals are eligible for training benefits:

- an individual who earned an average hourly wage that is less than 130 percent of the state minimum wage, and whose earning potential would be enhanced through vocational training;
- an individual who recently served in the United States military or the Washington National Guard, was honorably discharged, and needs job-related training to find suitable employment in his or her labor market;
- an individual who is currently serving in the Washington National Guard, and needs job-related training to find suitable employment in his or her labor market; and
- an individual who is disabled due to an injury or illness, is unable to return to his or her previous occupation, and is in need of job-related training to obtain suitable employment in his or her labor market.

The requirement that dislocated workers demonstrate sufficient tenure is stricken. The exclusion for individuals unemployed due to regular seasonal layoffs is also stricken.

The individual must submit a training plan within 90 days (instead of 60 days) and enter the approved training program within 120 days (instead of 90 days) of the individual's notification of the program's requirements. The Employment Security Department (Department) may waive these deadlines for good cause. The individual must be enrolled in training on a full-time basis, except when a disability precludes such enrollment.

The Department must report annually to appropriate committees of the Legislature on the program's status and outcomes. The report must include: (1) a demographic analysis of the participants; (2) the employment and wage history of participants; (3) the duration of training benefits claimed; (4) an analysis of the training; and (5) an analysis of the program's administrative costs.

The changes making additional individuals eligible for training benefits apply to claims with an effective date on or after September 7, 2009. The other changes apply to claims with an effective date on or after April 5, 2009.

Shared Work Program. The requirement that the plan apply to at least 10 percent of the employees in affected units is stricken. Instead, an employer may enroll any number of employees in the shared work program.

The restriction on the number of weeks of shared work benefits is stricken. Instead of a cap of 26 weeks, an employee may receive his or her maximum entitlement.

These changes take effect April 5, 2009.

Unemployment Taxes. The additional $45 and the training benefits are not charged to the experience rating accounts of employers. The additional $45 is not considered when calculating the flat social cost factor rate.

Votes on Final Passage:

House	90	2	
Senate	43	4	(Senate amended)
House	93	2	(House concurred)

Effective: April 5, 2009

SHB 1919

C 445 L 09

Operating and administering a drug court program.

By House Committee on Human Services (originally sponsored by Representatives Kagi, Goodman, Pedersen, Rodne, Roberts, Hinkle, Dickerson, Moeller, Santos and Wood).

House Committee on Human Services
House Committee on Ways & Means
Senate Committee on Judiciary
Senate Committee on Ways & Means

Background: Drug Court. In 1999 legislation was enacted which authorized counties to establish drug courts. Some counties, such as King County, started a drug court program as early as 1994. The drug court is a separate court with its own calendar. The eligibility criteria for drug court programs and their operation vary from county to county, but generally an offender may not have any prior sex offender criminal history or prior violent offenses and, in some counties, there can be no indication that an offender had any intent to sell or distribute drugs.

Drug courts are pre-adjudication programs that provide eligible defendants with an opportunity to receive drug treatment in the community instead of incarceration. If a prosecutor determines that a felony case is eligible for drug court, the matter will be filed in the county drug court. The defendant enters into a "contract" with the court to abide by conditions. The defendant also waives the right to a trial and stipulates to the facts in the police report and that those facts are sufficient to find him or her guilty of the offenses charged. Upon completion of treatment, which normally takes one to two years, the charges are dismissed. If the defendant fails to complete the program requirements, he or she is sentenced on the charges.

In 2006 the Washington State Institute for Public Policy issued a preliminary and a final report summarizing its review of evidence-based programs for adult offenders. Participation by offenders in adult drug court programs reduced recidivism rates of the program participants by approximately 10 percent.

Criminal Justice Treatment Account. In 2002 the Criminal Justice Treatment Account (Account) was created in the State Treasury. Moneys in the Account were to be expended solely for: (1) substance abuse treatment and treatment support services for offenders with an addiction, against whom charges are filed by a prosecuting attorney in Washington; (2) the provision of drug and alcohol

treatment services and treatment support services for nonviolent offenders within a drug court program; and (3) the operation of the Integrated Crisis Response and Intensive Case Management pilots during the 2007 - 2009 biennium.

Summary: Funds in the Account may be used to support the operation and administration of the drug court programs, in addition to their use for the support and treatment services for offenders who participate in the drug court programs. Not more than 10 percent of the funds received by a county or group of counties participating in a regional agreement may be spent to support the operation and administration of a drug court program.

Votes on Final Passage:

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

Effective: July 26, 2009

ESHB 1926

C 89 L 09

Exempting certain hospice agencies from certificate of need requirements.

By House Committee on Health Care & Wellness (originally sponsored by Representatives Cody, Ericksen, Appleton, Pettigrew, Kenney, Moeller and Ormsby).

House Committee on Health Care & Wellness
Senate Committee on Health & Long-Term Care

Background: A certificate of need is required before:

- a health care facility may be constructed, renovated, or sold;
- the bed capacity at certain health care facilities is increased;
- the number of dialysis stations at a kidney disease center is increased; or
- specialized health services are added.

When determining whether to issue a certificate of need, the Department of Health (DOH) must consider:

- the population's need for the service;
- the availability of less costly or more effective methods of providing the service;
- the financial feasibility and probable impact of the proposal on the cost of health care in the community;
- the need and availability of services and facilities for physicians and patients in the community;
- the efficiency and appropriateness of the use of existing similar services and facilities; and
- improvements in the financing and delivery of health services that contain costs and promote quality assurance.

Summary: A certificate of need is not required for a hospice agency if:

- the hospice agency is designed to serve the unique religious or cultural needs of a religious group or ethnic minority and commits to furnishing hospice services in a manner specifically aimed at meeting those needs;
- the hospice agency is operated by an organization that has operated, for at least 10 consecutive years, a facility or group of facilities that offers a comprehensive continuum of long-term care services (including, at a minimum, a licensed, Medicare-certified nursing home, assisted living, independent living, day health, and community-based support services) designed to meet the unique religious or cultural needs of a religious group or ethnic minority;
- the hospice agency commits to coordinating with existing hospice programs in its community when appropriate;
- the hospice agency has a census of no more than 40 patients;
- the hospice agency commits to obtaining and maintaining Medicare certification;
- the hospice agency only provides services to patients located in the same county as the majority of the long-term care services offered by the organization that operates the agency; and
- the hospice agency is not sold or transferred to another entity.

The DOH must include the patient census for an exempted agency in its calculations for future certificate of need applications.

Votes on Final Passage:

House	96	0
Senate	45	0

Effective: July 26, 2009

E2SHB 1935

C 530 L 09

Concerning adult family homes.

By House Committee on Health & Human Services Appropriations (originally sponsored by Representatives Morrell, Walsh, Cody, Orwall, Kenney, Bailey, Miloscia, Green, Kelley and Williams).

House Committee on Health Care & Wellness
House Committee on Health & Human Services Appropriations
Senate Committee on Health & Long-Term Care

Background: Adult family homes are facilities that provide residential care and treatment for up to six individuals. They are typically located in residential neighborhoods. The Department of Social and Health Services (DSHS) is following a policy of meeting the

residential care needs of clients in facilities with a home-like setting. As the elderly population increases, there will be a need for additional residential facilities in residential areas.

The Legislature authorized the University of Washington through the School of Nursing to offer a geriatric certification and testing program for adult family home operators through a budget proviso in the 2007-09 state operating budget. The role of the DSHS in recognizing adult family home operators who successfully complete the program at the School of Nursing was not clearly defined.

The licensing and renewal fees for adult family homes are set in statute at $50.

Summary: The DSHS will establish a specialty license recognizing adult family home operators who successfully complete the program at the School of Nursing.

Restrictive covenants that have the effect of limiting the geriatric certification ability of people with disabilities to live in the residence of their choice, including adult family homes, are unenforceable to the extent of any conflict with this policy.

The $50 licensing and renewal fees for adult family homes are deleted, and the amount of the licensing fee will be $100. In addition, an $800 processing fee is charged for an initial license. The processing fee will be applied to the license renewal fee for the following three years.

Votes on Final Passage:

House	68	28	
Senate	39	8	(Senate amended)
House			(House refuses to concur)
Senate	32	16	(Senate amended)
House	69	25	(House concurred)

Effective: July 26, 2009

2SHB 1938

C 234 L 09

Concerning postadoption contact with siblings.

By House Committee on Health & Human Services Appropriations (originally sponsored by Representatives Roberts, Kagi, Angel, Walsh, Dunshee, Pettigrew, Green, Goodman, Haler and Kenney).

House Committee on Early Learning & Children's Services
House Committee on Health & Human Services Appropriations
Senate Committee on Human Services & Corrections
Senate Committee on Ways & Means

Background: Foster Care. The statutory presumption for children in foster care is that placement with siblings or continuing contact and visits between siblings are in their best interests. While the dependency court is required to consider sibling placements, visits, and contact while the siblings are in foster care, there is no directive relating to consideration of continued sibling contact when the permanency plan will result in siblings being separated by an adoption from foster care.

Adoption. Washington's adoption statute requires a pre-adoption home study report to be submitted to the court. The report must include verification that discussions with prospective adoptive parents includes topics relating to:

- the concept that adoption is a lifelong developmental process;
- the potential for the child to experience identity confusion and feelings of loss regarding separation from birth parents;
- the potential for the child to have questions about birth parents and relatives; and
- the relevance of the child's racial, ethnic, and cultural heritage.

Open adoption agreements must be reviewed and approved by the court. The statute authorizing agreements for postadoption contact between a child adoptee and his or her family includes no references to siblings of the child being adopted or the potential benefit of providing for a continuation of the child's relationship with his or her siblings through an adoption agreement or informal agreement.

Summary: The relevance of the child's relationship with siblings and the potential benefit of facilitating postadoption contact is included in the list of issues that must be considered during the permanency planning process for children in foster care and discussed with prospective adoptive parents. The family law court reviewing and approving an adoption open agreement must encourage the consideration of the adoptive child's relationship with known siblings. If a child being adopted from foster care or his or her siblings is represented by a guardian ad litem (GAL) or an attorney in an adoption proceeding, or in a dependency matter, the court reviewing the open adoption agreement must inquire of the attorneys and guardians regarding the potential benefit of continued contact between the siblings.

Votes on Final Passage:

House	95	0
Senate	43	1

Effective: July 26, 2009

ESHB 1939

C 123 L 09

Concerning vehicle dealer documentary service fees.

By House Committee on Transportation (originally sponsored by Representatives Takko, Armstrong, Morris, Springer, Eddy, Wood, Warnick, Ericksen, Sells, Kenney, Simpson, Moeller, Ormsby and Wallace).

House Committee on Transportation
Senate Committee on Transportation

Background: A vehicle dealer may charge a maximum documentary service fee of $50 per vehicle sale or lease to cover administrative costs for: collecting motor vehicle excise taxes and licensing, registration, and other agency fees; verifying and clearing titles; and perfecting, releasing, or satisfying liens or other security interests.

The documentary service fee must: be disclosed in writing to a prospective purchaser or lessee before the execution of a purchase and sale or lease agreement; not be represented to the purchaser as a fee or charge required by Washington to be paid by the dealer or the vehicle buyer; and be disclosed in any advertisement that a documentary service fee in an amount up to $50 may be added to the sale price or the capitalized cost.

Summary: The documentary service fee that a vehicle dealer may charge on a vehicle sale or lease is increased from a maximum of $50 to a maximum of $150 until July 1, 2014. On July 1, 2014, the fee is returned to a maximum of $50.

The dealer must disclose to the purchaser or lessee in writing that the documentary service fee is a negotiable fee. The disclosure must be written in a typeface that is at least as large as the typeface used in the standard text of the document that contains the disclosure. The dealer must not represent to the purchaser or lessee that the fee or charge is required by the state to be paid by either the dealer or prospective purchaser or lessee.

Votes on Final Passage:

House	73	22
Senate	42	3

Effective: July 26, 2009

SHB 1943

C 406 L 09

Requiring recommendations for preparation and professional development for the early learning and school-age program workforce.

By House Committee on Early Learning & Children's Services (originally sponsored by Representatives Kagi, Goodman, Priest, Walsh, Probst, Quall, Rolfes, Kenney, Dickerson, Kelley and Santos).

House Committee on Early Learning & Children's Services
Senate Committee on Early Learning & K-12 Education

Background: The Department of Early Learning (DEL) is charged with coordinating, consolidating, and integrating child care and early learning programs and supporting the development of a comprehensive and collaborative system of early learning for Washington's children. Minimum licensing standards for child care and early learning programs serving infants, toddlers, preschoolers, and school-age children include limited requirements relating to the qualifications, skills, and experience of the workforce in such programs. In addition to basic qualifications relating to licensing, individual early learning programs may include degree and educational requirements for program administrators or staff. Licensed child care providers in Washington are required to complete a minimum of 10 hours of training annually.

The Washington State Training and Registry System (STARS) is a web-based database to track completion of training by child care providers. The Washington Association for the Education of Young Children (WAEYC) is contracted to administer other components of training, including: information and publicity; training and trainer approval; and the scholarship program to pay for training. Nearly all of the regulations and training requirements relating to early learning provider preparation and professional development were established by the Department of Social and Health Services prior to the creation of the DEL in 2006.

In early 2008 the DEL, Thrive by Five Washington (Thrive), and the Office of the Superintendent of Public Instruction (OSPI) signed an early learning partnership resolution designating the DEL as the lead agency for improvements to early learning professional development. In September 2008 the Professional Development Consortium (Consortium) was convened for the purpose of engaging multiple stakeholders in discussions for mapping the process of creating an integrated professional development system. One of the first steps in the Consortium's work was addressing the need for improving functionality of the STARS database. The DEL also is working with the University of Washington to explore methods for mapping and evaluating of current DEL-funded professional development activities in the state. The focus of the Consortium's 2009 work plan relates mostly to identifying the core knowledge and core competencies for early learning professionals.

Work of the Consortium in future years will focus on:

- documenting a career pathway available to interested early learning providers;
- facilitating articulation agreements between and among professional development providers, including agreements to allow approved community-based trainings to apply as credits toward a degree;
- establishing credit-ready training programs leading to specialized credentials geared for working with specific populations of children, such as infants, toddlers, or school-age populations, and for fulfilling different roles in early learning, such as a director or an administrator of a center; and
- developing a comprehensive registry accessible to early learning professionals, directors, trainers, and the DEL.

In addition to the work of the Consortiuum, the State Board for Community and Technical Colleges (SBCTC) has been actively engaged in work with a wide array of stakeholders to:

- adopt standards for approval of training programs for early learning providers that can be applied to credit-based college course work; and
- develop clear and common pathways for entry into and completion of early learning professional preparation programs throughout the SBCTC system.

Summary: The Consortium, in collaboration with the DEL, must develop recommendations for a comprehensive statewide system of preparation and professional development for the early learning and school-age program workforce. The membership of the Consortium must include representatives from the following:

- the DEL;
- the Department of Health;
- school districts and educational service districts;
- the SBCTC;
- the OSPI;
- Washington Indian Tribes;
- Thrive by Five Washington;
- the Washington Resource and Referral Network; and
- other organizations representing, researching, or providing professional development to the early learning and school-age program workforce.

The Consortium is directed to:

- map current professional development resources and strategies to identify gaps and recommend improved coordination;
- define the core competencies or knowledge areas for the workforce; and
- recommend a plan for implementation of a statewide comprehensive and integrated pathway of preparation and continuing professional development for the early learning and school-age program workforce.

The plan must include recommendations relating to:

- knowledge and skills for early learning and school-age program staff, directors, and administrators;
- requirements for articulation agreements to enable effective transitions between two-year and four-year institutions of higher education and to allow staff and professionals to apply approved training programs toward credit-based learning; and
- a comprehensive registry of information to include workforce and professional development data.

The final report from the Consortium also must:

- analyze gaps in professional development to address the needs of those serving children with physical or developmental disabilities, behavioral challenges, and other special needs;
- discuss evidence-based incentives and supports for additional training and education of the workforce;
- analyze evidence-based compensation policies to encourage and reward completion of professional development programs; and
- explore strategies for providing professional development opportunities in languages other than English.

The DEL and the Consortium must report back to the Legislature and the Governor with a brief status update on September 15, 2009, and provide final recommendations by December 31, 2010.

Votes on Final Passage:

House	94	0	
Senate	45	0	(Senate amended)
House	93	0	(House concurred)

Effective: July 26, 2009

2SHB 1946

C 407 L 09

Regarding higher education online technology.

By House Committee on Education Appropriations (originally sponsored by Representatives Carlyle, Anderson, Wallace, Angel, White, Schmick, Hasegawa, Goodman, Sullivan, Haigh, Hudgins, Kenney and Maxwell).

House Committee on Higher Education
House Committee on Education Appropriations
Senate Committee on Higher Education & Workforce Development
Senate Committee on Ways & Means

Background: Technology Transformation Taskforce in the Community and Technical Colleges. Beginning in 2006, the Technology Transformation Taskforce (Taskforce) of the State Board for Community and Technical Colleges (SBCTC) conducted an 18-month analysis to identify ways to improve education through the effective use of technology. The Taskforce conducted extensive surveys, focus groups, and interviews with students, faculty, staff, and education and information technology experts and educators from across the country and around the world. It also analyzed the community and technical college system's successes and mistakes in the deployment of information technology during the past 25 years.

The Taskforce issued a report in 2008 that dealt with three major areas of technology deployment: student learning, student services, and administration. In all three areas, the Taskforce found a need for greater uniformity across the 34 community and technical colleges in the system and within the broader P-20 education system. This report also recommended a shift from locally developed software and hosting services.

Information Technology Terms. *Open textbook (and other course material):* An open textbook is an openly licensed textbook offered online by its author(s). The open

license sets open textbooks apart from traditional textbooks by allowing users to read online, download, or print the book at no cost. For a textbook to be considered open, it must be licensed in a way that grants a baseline set of rights to users that are less restrictive than its standard copyright. A license or list of permissions must be clearly stated by the author. Open textbooks are increasingly seen as a potential solution to some of the challenges with the traditional textbook publishing model.

Hosted application: A hosted application, also known as Internet-based application, web-based application, online application, or Application Service Provider (ASP) is a software application where the software resides on servers that are accessed through the Internet instead of the more traditional software that is installed on either a local server or on individual computers.

Web conferencing service: A web conferencing service is a service that allows users to share documents, make presentations, demonstrate products and services, and communicate as if they were 'face-to-face' with people at almost any location via a personal computer using an Internet connection.

Summary: Common Learning Technologies. All institutions of higher education are encouraged to use common online learning technologies, including those currently managed by the SBCTC. Institutions that decide to migrate to the common system may begin doing so immediately. For those institutions that opt in, the SBCTC will adjust current licenses to accommodate the additional schools and convene a workgroup to determine a shared fee structure.

Technology Workgroup. The Higher Education Coordinating Board (HECB) must convene a workgroup to improve the effectiveness, efficiency, and quality of education relative to the use of technology. The group must include: representatives from each of the public baccalaureate institutions, and six community or technical colleges; and two faculty members from four-year institutions, two faculty members from community and technical colleges, with at least one of the faculty members from each sector selected by statewide bargaining representatives; and one representative each from the HECB, the SBCTC, the Workforce Training and Education Coordinating Board, the Department of Information Services, and the Council of Presidents.

The group must take the following actions in developing the plan:

- Investigate efforts in other states regarding online learning technologies, personalized online student services, integrated administrative tools, shared library resources, methods for sharing digital content, methods for pooling and sharing enrollments in online classes, and methods for ensuring quality of online programs and classes.
- Develop a process and timeline for implementing the recommendations of the various investigations.
- Focus on statewide capability and standards to create effective use of common resources.
- Identify the metrics that can be used to gauge success.
- Conduct a comprehensive audit of existing Information Technology resources currently being used at all public institutions of higher education including employees, infrastructure, and licenses. Failure of an institution to participate must be noted in the workgroup's plan.
- Subject to appropriations for this purpose, the HECB must contract with an independent consultant to review the findings of the audit.
- Recommend strategies to reduce duplication, increase quality, and increase student access.
- Recommend governance and funding models as well as accountability measures.
- Provide a preliminary report to the Legislature by December 1, 2009, and a final report by December 1, 2010.

The act is null and void if it is not funded in the state operating budget.

Votes on Final Passage:

House	95	0	
Senate	46	0	(Senate amended)
House	98	0	(House concurred)

Effective: July 26, 2009

2SHB 1951

C 340 L 09

Regarding the operation and management of salmonid hatcheries.

By House Committee on General Government Appropriations (originally sponsored by Representatives Finn, Short, Takko, Walsh, Blake, Johnson, McCune, Pearson, Williams and Van De Wege).

House Committee on Agriculture & Natural Resources
House Committee on General Government Appropriations
Senate Committee on Natural Resources, Ocean & Recreation

Background: Fish hatcheries have operated in Washington for more than a century, beginning with one hatchery on the Kalama River in 1895. The Washington Department of Fish and Wildlife (WDFW) operates 88 hatcheries throughout the state. Seven salmon hatcheries, however, were proposed for closure in the Governor's 2009-2011 Omnibus Operating Budget, including the Colville, Omak, Arlington, Mossyrock, McKernan, Bellingham, and Palmer Ponds hatcheries.

Summary: The WDFW is directed to establish a program that uses department-partner agreements for the continued operation and management of state-owned salmonid hatcheries now closed or scheduled for closure during the 2009-2011 biennium. To implement the program, the WDFW must accept and review applications from potential partners to manage and operate selected salmonid hatcheries. The application process must be accelerated for any hatchery currently in operation to ensure ongoing salmon production.

Selection of Partners. The WDFW must develop and apply criteria identifying the appropriateness of a potential partner. The criteria must attempt to ensure that the partner has a long-range business plan, which may include the sale of hatchery surplus salmon, including eggs and carcasses, to ensure the long-range future solvency of the partnership. Partners must be: (1) qualified under section 501(c)(3) of the Internal Revenue Code; (2) a for-profit private entity; or (3) a federally-recognized tribe. The WDFW must prioritize partnership applications that maximize resumption or continuation of existing hatchery production in a manner consistent with existing legal mandates to maintain the economic well-being and stability of the fishing industry.

Contents of Partnership Agreements. All partnership agreements must be consistent with existing state laws, agency rules, collective bargaining agreements, hatchery management policy involving species listed under the federal Endangered Species Act, or, in the case of a tribal partner, any applicable tribal hatchery management policy or recreational and commercial harvest policy. In addition, all partnership agreements must require that partners conducting hatchery operations maintain staff with comparable qualifications to those identified in the class specifications for the WDFW's fish hatchery personnel. Finally, all partnership agreements must contain a provision requiring the partner to hold the WDFW and the state harmless from any civil liability arising from the partner's participation in the agreement.

Maintenance or Improvements to Hatchery Facilities. All partnership agreements must identify any maintenance or improvements to be made to the hatchery facility, as well as the source of funding for such maintenance or improvements. If the funding is derived from state funds or revenue sources previously received by the WDFW, the work must be performed either by employees in the classified service or in compliance with state contracting procedures.

Funds from the Regional Fisheries Enhancement Group Account may serve as replacement funding for salmon projects operated by the WDFW for the purposes of partnership agreements.

Votes on Final Passage:

House	96	0	
Senate	44	1	(Senate amended)
House	94	0	(House concurred)

Effective: July 26, 2009

SHB 1953

C 157 L 09

Allowing department of fish and wildlife enforcement officers to transfer service credit.

By House Committee on Ways & Means (originally sponsored by Representatives Conway, Bailey, Seaquist, Hurst, Van De Wege, Green, Simpson, Crouse, Orcutt, Ormsby, Williams and Hinkle; by request of Select Committee on Pension Policy and LEOFF Plan 2 Retirement Board).

House Committee on Ways & Means
Senate Committee on Ways & Means

Background: The Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) provides retirement benefits to full-time general authority law enforcement officers and firefighters throughout Washington. To be eligible for LEOFF as a law enforcement officer, an employee must: (1) work for a governmental entity that meets the definition of a general authority law enforcement agency; (2) be a general authority law enforcement officer; and (3) meet the training or other requirements of his or her job. All employees first employed in LEOFF-eligible positions since 1977 have been enrolled in LEOFF Plan 2, which allows for an unreduced retirement allowance at age 53. The LEOFF Plan 2 permits early retirement beginning at age 50 for members with 20 years of service with a 3 percent per year reduction to their retirement allowance.

The Department of Fish and Wildlife (DFW) was changed from a limited authority law enforcement agency to a general authority law enforcement agency by legislation enacted in 2002. This permits the agency to commission officers to enforce all the traffic and criminal laws of the state, much like Washington State Patrol troopers, in addition to the special enforcement powers granted to the DFW enforcement officers in the state Wildlife Code.

While the DFW enforcement officers met all the requirements of LEOFF membership, they were specifically excluded from LEOFF membership until the enactment of House Bill 1205 in 2003 (C 388 L 03), which made new DFW enforcement officers eligible for enrollment in LEOFF Plan 2. House Bill 1205 also authorized the transfer of current DFW enforcement officers belonging to the Public Employees' Retirement System (PERS) Plan 2 or Plan 3 to LEOFF Plan 2 on a prospective basis only. Enforcement officers transferred to from PERS to LEOFF became dual members of PERS 2/3 and LEOFF 2. Dual members are eligible to receive a retirement benefit from

both of the plans that they belong to and may combine service credit earned in all portability covered systems for the purpose of qualifying for benefits. A dual member may also use his or her highest base salary to calculate the benefits from both systems.

All employees first employed in PERS-eligible positions since 1977 have been enrolled in PERS Plan 2 or Plan 3, which allows for an unreduced retirement allowance at age 65. The PERS 1, in contrast, permits members to retire at any age after 30 years of service, at age 55 with 25 years of service, and at age 60 with five years of service.

Summary: Members of LEOFF Plan 2 may elect by December 31, 2009, to transfer prior service credit to PERS Plan 2 or Plan 3 service credit earned as enforcement officers of the DFW.

A member choosing to transfer service credit from PERS Plan 2 to LEOFF must pay an amount equal to the difference between the retirement system contributions that the member made in PERS Plan 2 and the contributions that the member would have paid in LEOFF Plan 2, plus interest, by June 30, 2014. A member choosing to transfer service credit from PERS Plan 3 to LEOFF must pay an amount equal to the greater of the full balance of the member's defined contribution account or the amount of contributions that the member would have paid had the service been rendered in LEOFF Plan 2, plus interest.

The Department of Retirement Systems must transfer the service credit from PERS to LEOFF on June 30, 2014, along with the associated member and employer contributions and interest.

Member, employer, and state contribution rates will increase to the extent necessary to fund the difference in the value of the service credit transferred between PERS and LEOFF Plan 2, and the member contributions transferred into LEOFF Plan 2.

Votes on Final Passage:

House	95	0
Senate	46	0

Effective: July 26, 2009

ESHB 1954

C 236 L 09

Sealing juvenile records under certain conditions.

By House Committee on Human Services (originally sponsored by Representative Dickerson).

House Committee on Human Services
House Committee on General Government Appropriations
Senate Committee on Human Services & Corrections

Background: Deferred Disposition. A deferred disposition in juvenile court is akin to a deferred prosecution in adult court. The juvenile offender is found guilty at the time that the court agrees to allow a deferred disposition. A deferred disposition allows a juvenile to complete certain conditions set out by the court and probation, including any restitution payment, in exchange for having the charges dismissed.

A juvenile is eligible for a deferred disposition unless he or she:

- is charged with a sex or violent offense;
- has a criminal history which includes any felony; or
- has two or more prior adjudications.

If a court grants a deferred disposition the juvenile is required to:

- stipulate to the admissibility of the facts contained in the written police report;
- acknowledge that the report will be entered and used to support a finding of guilt and to impose a disposition (i.e., sentencing) if the juvenile fails to comply with terms of supervision; and
- waive the right to a speedy disposition and to call and confront witnesses.

After the court enters a finding or plea of guilty, the court defers entry of an order of disposition. The juvenile offender is placed on community supervision, and the court may impose any conditions that it deems appropriate. Payment of restitution must be a condition of supervision. The juvenile normally has one year to complete the conditions but may have up to two years. If the juvenile fails to complete the conditions, as determined by a hearing before the court, the court must enter an order of disposition.

If the court finds that the juvenile offender has successfully complied with the conditions of his or her supervision, including payment of restitution, the conviction is vacated and the court dismisses the case with prejudice. If the juvenile has a conviction for animal cruelty in the first degree, his or her conviction is vacated.

Sealing Records. The official juvenile court file of any alleged or proven juvenile offender is open to public inspection unless the file is sealed by the court. Before 1977, juvenile records were not public. Between 1977 and 1997, a juvenile could seal his or her records for any offense two years after being released from confinement or sentenced if the juvenile had no further offenses. Beginning in 1998, various time requirements have been placed on the ability to seal certain records and the sealing of records has been precluded for certain offenses, such as sex offenses and violent offenses. The table below illustrates the offenses for which a juvenile may request an order from the court sealing his or her records:

Type of Offense	***Length of Time Since Confinement or Entry of Disposition and Having Committed No Offenses***
Sex Offenses	Records are never sealed
Class A Felony	Records are never sealed

Class B Felony	5 Years
Class C Felony	2 Years
Gross Misdemeanor	2 Years
Misdemeanor	2 Years

A subsequent finding of guilt nullifies a court order sealing a juvenile's record. A subsequent charge of a felony as an adult nullifies the court's sealing order.

Summary: A juvenile's records of a deferred disposition must be sealed within 30 days after the juvenile's 18th birthday if:

- the conditions of the deferred disposition have been completed;
- the deferred disposition has been vacated and the case dismissed with prejudice; and
- the juvenile does not have any pending charges.

If at the time this act takes effect, the juvenile is already 18, the juvenile may request that the court seal his or her records, and that request must be granted. Records that are sealed under this provision have the same legal status as records sealed under other laws governing records related to juvenile offenses.

Votes on Final Passage:

House	96	0
Senate	42	0

Effective: July 26, 2009

SHB 1957

C 341 L 09

Identifying qualified applicants and procedures within the Washington wildlife and recreation program.

By House Committee on Capital Budget (originally sponsored by Representatives Jacks, Warnick and Van De Wege).

House Committee on Capital Budget
Senate Committee on Natural Resources, Ocean & Recreation

Background: The Washington Wildlife and Recreation Program (WWRP), created in 1990, provides funds for the acquisition and development of local and state parks, water access sites, trails, critical wildlife habitat, and urban wildlife habitat. Counties, cities, ports, park and recreation districts, school districts, state agencies, and tribes are eligible to apply. Grant applications are evaluated annually; the Recreation and Conservation Funding Board (RCFB) submits a list of prioritized projects to the Governor and Legislature for approval. In the 2007-09 biennial state capital budget, the WWRP received $100 million in state general obligation bonds. Table 1 displays historical appropriations for the WWRP.

Table 1: The WWRP State Capital Budget Appropriations

Biennium	Appropriation
1991-93	$ 50,000,000
1993-95	$ 65,000,000
1995-97	$ 45,000,000
1997-99	$ 45,000,000
1999-01	$ 48,000,000
2001-03	$ 45,000,000
2003-05	$ 45,000,000
2005-07	$ 50,000,000
2007-09	$ 100,000,000

When biennial funding is less than $40 million, half of the WWRP funding is distributed to the Habitat Conservation Account and half to the Outdoor Recreation Account. If biennial funding is more than $40 million, a portion of the funding is distributed to the Riparian Protection Account and the Farmlands Preservation Account. Allowable uses of funds in each of the four WWRP accounts are summarized in Table 2.

Table 2: Allowable Uses of the WWRP Funds, by Account

Habitat Conservation	Outdoor Recreation	Riparian Protection	Farmlands Preservation
Critical habitat Natural areas State lands restoration and enhancement Urban wildlife habitat	Local parks State parks State lands development and renovation Trails Water access	Acquisition, enhancement, or restoration of riparian habitat	Acquisition and preservation of farmlands

Allowable uses of funds in the Habitat Conservation Account and the Riparian Protection Account, include mitigation banking projects. A mitigation bank means a site where habitat is created, restored, enhanced, or preserved to offset authorized project impacts to similar areas. The WWRP mitigation banking funds may not be used to supplant an obligation of a state or local agency to provide mitigation.

The Conservation Commission provides grants and technical assistance to local conservation districts throughout Washington.

Nonprofit nature conservancies acquire land and purchase conservation easements to preserve land that is under private ownership.

Summary: Mitigation banking projects are removed from the statutory list of allowable uses of the Habitat Conservation Account and the Riparian Protection Account.

Nonprofit nature conservancy organizations and associations are added to the list of eligible recipients of funding from the four WWRP accounts, and the Conservation

Commission is added to eligible recipients of funding from the Riparian Protection Account and the Farmlands Preservation Account.

The Recreation and Conservation Office is directed to evaluate and report on the advantages, disadvantages, and costs of various land preservation mechanisms including fee simple acquisitions, conservation easements, term conservation easements, and leases.

Votes on Final Passage:

House	64	32	
Senate	35	13	(Senate amended)
House	65	29	(House concurred)

Effective: July 26, 2009

ESHB 1959

C 514 L 09

Concerning land use and transportation planning for marine container ports.

By House Committee on Local Government & Housing (originally sponsored by Representatives Simpson, Rodne, Williams and Armstrong; by request of Governor Gregoire).

House Committee on Local Government & Housing
House Committee on General Government Appropriations
Senate Committee on Government Operations & Elections

Background: Port Districts. Port districts have numerous powers related to the movement of goods and the development of facilities within their district. In 2008 two Washington ports, the Port of Seattle and the Port of Tacoma, had annual operating revenues in excess of $60 million. Additionally, the 2008 operating revenues of the Ports of Vancouver and Everett both exceeded $20 million.

Growth Management Act. The Growth Management Act (GMA) is the comprehensive land use planning framework for county and city governments in Washington. Enacted in 1990 and 1991, the GMA establishes numerous requirements for local governments obligated by mandate or choice to fully plan under the GMA (planning jurisdictions) and a reduced number of directives for all other counties and cities. Twenty-nine of Washington's 39 counties, and the cities within those counties, are planning jurisdictions.

The Department of Community, Trade and Economic Development (DCTED) provides technical and financial assistance to jurisdictions that must implement requirements of the GMA.

The GMA directs planning jurisdictions to adopt internally consistent comprehensive land use plans that are generalized, coordinated land use policy statements of the governing body. Comprehensive plans must address specified planning elements, each of which is a subset of a comprehensive plan. The implementation of comprehensive plans occurs through locally adopted development regulations.

Comprehensive plans and development regulations are subject to continuing review and evaluation by the adopting county or city. Except as otherwise provided, planning jurisdictions must review and, if needed, revise their comprehensive plans and development regulations according to a recurring seven-year statutory schedule. Jurisdictions that do not fully plan under the GMA must, generally satisfy requirements pertaining to critical areas and natural resource lands according to this same schedule.

Transportation Facilities and Services of Statewide Significance. State law has declared certain transportation facilities and services to be of statewide significance. Examples of these facilities include:

- the interstate highway system;
- interregional state principal arterials, including ferry connections, that serve statewide travel;
- the freight railroad system; and
- marine port facilities and services that are related solely to marine activities affecting international and interstate trade.

In addition to other planning requirements for transportation facilities, the Department of Transportation, in consultation with local governments, must set level of service standards for state highways and state ferry routes of statewide significance.

Summary: The comprehensive plans of cities that have a marine container port with annual operating revenues in excess of $60 million within their jurisdictions must include a container port element. The DCTED must provide matching grant funds to qualifying cities to support development of container port elements.

The comprehensive plans of cities that include all or part of a port district with annual operating revenues in excess of $20 million may include a marine industrial port element. Prior to adopting a marine industrial port element, the commission of the applicable port district must adopt a resolution in support of the proposed element.

Container port elements and marine industrial elements (port elements) must be developed collaboratively between the city and the applicable port, and must establish policies and programs that:

- define and protect the core areas of port and port-related industrial uses within the city;
- provide reasonably efficient access to the core area through freight corridors within the city limits; and
- identify and resolve key land use conflicts along the edge of the core area, and minimize and mitigate, to the extent practicable, incompatible uses along the edge of the core area.

Port elements must also be:

- completed and approved by the city according to the recurring review and revision schedule of the GMA; and
- consistent with the economic development, transportation, and land use elements of the city's comprehensive plan, and consistent with the city's capital facilities plan.

In adopting port elements, cities and ports must ensure that there is consistency between the port elements and port requirements pertaining to harbor and marginal land improvements, while retaining sufficient planning flexibility to secure emerging economic opportunities.

In developing port elements, a city may utilize one or more of several specified approaches, including:

- the creation of a port overlay district that protects container port uses;
- the use of buffers and transition zones between incompatible uses;
- the use of policies to encourage the retention of valuable warehouse and storage facilities; and
- the use of other approaches by agreement between the city and the port.

Any planned improvements identified in adopted port elements must be transmitted by the city to the Transportation Commission for consideration of inclusion in a specific statewide transportation plan.

The list of legislatively declared transportation facilities and services of statewide significance is expanded to include key freight transportation corridors that serve marine port facilities and services that are related solely to marine activities affecting international and interstate trade.

Votes on Final Passage:

House	96	0	
Senate	44	1	(Senate amended)
House			(House refuses to concur)
Senate	48	0	(Senate refuses to recede)
House	94	0	(House concurred)

Effective: July 26, 2009

E2SHB 1961

C 235 L 09

Implementing the federal fostering connections to success and increasing adoptions act of 2008.

By House Committee on Ways & Means (originally sponsored by Representatives Roberts, Haler, Pettigrew, Kagi, Carlyle, Pedersen and Wood).

House Committee on Early Learning & Children's Services
House Committee on Ways & Means
Senate Committee on Human Services & Corrections
Senate Committee on Ways & Means

Background: Foster Care to 21. For at least the past two decades, the Department of Social and Health Services (DSHS), has been authorized to provide continued foster care or group care for youth between the ages of 18 and 21 in order to support the youths' completion of high school or vocational school programs. More recently, in 2005, the Legislature authorized the DSHS to provide continuing foster care or group care for youth between the ages of 18 and 21 who are enrolled in post-secondary education or training programs. The practice of providing continuing foster care past age 18 for post-secondary and related purposes is commonly referred to as *Foster Care to 21*.

The enacting legislation for Washington's Foster Care to 21 program provides that, beginning in 2006, the DSHS is authorized to allow 50 youth to remain in foster care after reaching age 18. In addition to the first 50, an additional 50 youth could also enter the program in 2007 and 2008. The lack of clarity in this statute has resulted in confusion recently about whether this authority to provide Foster Care to 21 expired at the end of 2008. The DSHS is not processing new enrollments at this time, but approximately 79 youth are still participating in the program from previous years' enrollments.

Guardianships. Children who are dependent and have been in out-of-home care for at least six months with little likelihood of a successful reunification may be cared for under dependency guardianships which are intended to be long-term and stable placement options for children in foster care when the court finds that a guardianship rather than termination of parental rights is in the child's best interests. Dependency guardians may be, but are not required to be, relatives. Guardians for a dependent child also may be licensed foster parents, and those who remain licensed may receive foster care payments. Dependency guardians who are not licensed do not receive foster care payments. The dependency guardianship order establishes the rights and responsibilities of the guardian, but does not result in dismissal of the dependency. Depending on the circumstances of the child's case, there typically is less agency and court involvement in a dependency guardianship as compared to a foster care placement.

The Fostering Connections to Success and Increasing Adoptions Act of 2008. In October 2008 the U.S. Congress approved and the President signed the Fostering Connections to Success and Increasing Adoptions Act of 2008 (Act). The legislation includes a variety of provisions, both mandatory and permissive, intended to reform aspects of child welfare programs. Some of the changes took effect immediately and others will be phased in over a period of years. The mandatory provisions in the Act include the following:

- developing health care oversight and coordination plans for children in foster care;
- requiring due diligence in identifying and notifying adult relatives of children placed in foster care;

- ensuring school-age children in foster care are enrolled in school and requiring school stability issues to be addressed in children's case plans;
- negotiating in good faith with Indian tribes seeking to develop their own foster care program using federal moneys;
- notifying prospective adoptive parents of federal adoption tax credits; and
- requiring children's case plans to include a transition plan for youth aging out of foster care.

The DSHS has determined it can, for the time being, implement the mandatory provisions without a change in state law.

One of the key changes permitted by the Act includes allowing states to use foster care funds to provide Foster Care to 21 placement services to youth engaged in a broader array of qualifying activities. The federal funding attached to this provision becomes available October 1, 2010.

An additional element of the Act allows for the use of federal funds to provide subsidy payments to relatives serving as guardians for dependent children. To be eligible, the relative must be licensed by the DSHS as a foster parent and have the child placed in the relative's home for a period of six consecutive months prior to establishment of the guardianship. Following entry of the guardianship order, the relative may continue to receive the subsidy without having to continue being a licensed foster parent. Funding attached to this provision of the Act became available upon enactment.

Summary: Foster Care to 21 and Other Transitional Supports. The Foster Care to 21 statute is clarified to allow for continued enrollment in the program, subject to the availability of appropriated funding. Eligibility to remain in foster care or group care continues up to the youth's 21st birthday if the youth adheres to program rules and remains enrolled in a post-secondary program.

Beginning October 1, 2010, the type of activities in which a youth must be engaged to qualify for Foster Care to 21 is expanded to reflect the activities eligible for use of federal funds. The DSHS is authorized to provide continued foster care or group care up to age 21, within amounts appropriated for this specific purpose, for youth who are:

- enrolled and participating in a post-secondary program;
- participating in a program to promote, or reduce barriers, to employment;
- working 80 or more hours per month; or
- incapable of participating in school, work, or other activities due to a medical condition supported with regularly updated information.

In lieu of Foster Care to 21 placement services and within amounts appropriated for this specific purpose, the DSHS may provide adoption support or relative guardianship benefits on behalf of youth who achieved permanency through adoption or a guardianship after age 16 and who are engaged in one of the activities listed above. Eligibility for continued support or subsidy payments continues until the youth reaches age 21.

Subsidized Relative Guardianships. A statement is added to the guardianship chapter declaring legislative intent to make subsidized relative guardianships available in Washington consistent with federal law and regulations. The term "foster care payment" in the dependency guardianship chapter is replaced with "guardianship subsidy." A dependency guardian, including a relative guardian, who is a licensed foster parent and with whom the child has been placed for at least six consecutive months prior to the guardianship being established is eligible for a guardianship subsidy. After entry of the guardianship order, the guardian may, but is not required, to remain licensed as a foster parent. A relative guardianship is declared to be a permissible permanency plan for dependent children. The DSHS is directed to conduct routine and cost-efficient outreach regarding the relative guardianship program. The relative guardianship agreements must be designed to promote long-term permanency for children and support stability of the guardianship.

Votes on Final Passage:

House	75	22
Senate	44	2

Effective: July 26, 2009
October 1, 2010 (Section 2)

EHB 1967

C 342 L 09

Prohibiting expansions of urban growth areas into one hundred year floodplains.

By Representatives White, Campbell, Nelson, Simpson, Williams, Wallace, Dunshee, Dickerson, Hunt, Ormsby and Sullivan.

House Committee on Local Government & Housing
Senate Committee on Government Operations & Elections

Background: Floodplain Management and Regulation. Statewide, the Department of Ecology (DOE) is authorized to oversee the management of floodplains in conjunction with counties and flood control zone and flood control districts. With respect to floodplain management, the duties of the DOE include:

- the review of county, city, or town, floodplain management ordinances;
- generally providing technical guidance and assistance to local governments; and
- assisting local governments in identifying the location of the 100-year floodplain.

Flood control zone districts are authorized to create zones within a county for the purpose of developing or

operating flood control projects or storm water control projects.

Flood control districts may be organized in a city, or in any part of a county, or among counties, for purposes that include the planning, development, acquisition, management, or maintenance of any facilities necessary to control floods, lessen their dangers, and reduce damages.

Growth Management Act. The Growth Management Act (GMA) is the comprehensive land use planning framework for county and city governments in Washington. Enacted in 1990 and 1991, the GMA establishes numerous requirements for local governments obligated by mandate or choice to fully plan under the Act and a reduced number of directives for all other counties and cities.

The GMA requires all jurisdictions to satisfy specific designation and protection mandates. All local governments, for example, must designate and protect critical areas. Critical areas are defined by statute to include wetlands, aquifer recharge areas, fish and wildlife habitat conservation areas, frequently flooded areas, and geologically hazardous areas.

The GMA includes planning requirements relating to the use or development of land in urban and rural areas. Among other obligations, counties that comply with the major requirements of the GMA must designate urban growth areas (UGAs) or areas within which urban growth must be encouraged and outside of which growth may occur only if it is not urban in nature. "Urban growth" is defined by the GMA, in part, as a reference to growth that makes intensive use of land for the location of buildings, structures, and impermeable surfaces to such a degree as to be incompatible with the primary use of land for specified agricultural, mineral resource, and rural purposes.

The GMA includes many requirements pertaining to UGAs that planning jurisdictions must satisfy. Using population projections made by the Office of Financial Management, planning counties and each city within these counties must include within UGAs areas and densities sufficient to permit the urban growth that is projected to occur in the county or city for the succeeding 20-year period. The UGAs must permit urban densities and include greenbelts and open space areas. The UGA determinations may include a reasonable land market supply factor and must permit a range of urban densities and uses. Additionally, UGA provisions in the GMA provide planning jurisdictions with discretion to make many choices about accommodating growth within their comprehensive plans.

Summary: Subject to specified exceptions, a county, city, or town is prohibited from expanding a UGA into the 100-year floodplain of any river or river segment that:

- is located west of the crest of the Cascade Mountains; and
- has a mean annual flow of 1,000 or more cubic feet per second.

This prohibition does not apply to expansions of a UGA where:

- the UGA is fully contained within a floodplain and lacks adjacent buildable areas outside the floodplain;
- expansion is precluded outside the floodplain because: (1) urban governmental services cannot be physically provided to serve areas outside the floodplain; or (2) expansion outside the floodplain would require a river or estuary crossing to access the expansion;
- certain areas within the floodplain are already subject to specified types of urban development and thus the exclusion from the urban growth area would be either impracticable or contrary to GMA goals;
- the land within the area is owned by a GMA planning jurisdiction; or
- the rights to the development of the land within the area have been permanently extinguished and the future use of the land is limited to outdoor recreation, habitat enhancement, environmental restoration, storm water facilities, and flood control facilities, and such use will not result in specified adverse environmental impacts.

The mean annual flow of the rivers that may be subject to the act is to be determined by the Department of Ecology.

"100 year floodplain" is defined by reference to a section of the Washington Administrative Code that defines "special flood hazard areas" in accordance with specified federal standards.

Votes on Final Passage:

House	61	35	
Senate	38	7	(Senate amended)
House	60	34	(House concurred)

Effective: July 26, 2009

ESHB 1978

C 8 L 09

Concerning economic stimulus transportation funding and appropriations.

By House Committee on Transportation (originally sponsored by Representatives Clibborn, Liias and White; by request of Office of Financial Management).

House Committee on Transportation

Background: 2007-09 Transportation Budget. The operating and capital expenses of state transportation agencies and programs are funded on a biennial basis by an omnibus Transportation Budget adopted by the Legislature in odd-numbered years. Additionally, supplemental budgets may be adopted during the biennium making various modifications to agency appropriations. The Transportation

Budget (Budget) provides appropriations to the major transportation agencies including: the Washington State Department of Transportation (WSDOT), the Washington State Patrol, the Department of Licensing, the Washington Traffic Safety Commission, the Transportation Improvement Board, the County Road Administration Board, and the Freight Mobility Strategic Investment Board. The Budget also provides appropriations out of transportation funds to many smaller agencies with transportation functions.

Since the 2008 Supplemental Budget was enacted in March 2008, transportation revenues to fund activities in the current biennium have declined by about $130 million, according to official forecasts. In anticipation of decreasing transportation revenues and increasing project materials and labor costs at the beginning of the 2008 construction season, the WSDOT decelerated the implementation of its construction program, reducing plans for capital expenditures by about $450 million. As a result, and due to difficult credit markets, $360 million in capital bond issuances were postponed.

The Transportation 2003 (Nickel) Act was passed in 2003, increasing the fuel tax rate by 5 cents. A bond bill was also enacted, supporting a $4.2 billion program of projects over the course of 10 years and underwritten by Nickel Act revenues. In 2005 the Transportation Partnership Act (TPA) was enacted, providing an increase in the motor vehicle fuel tax rate of 9.5 cents, phased in over several years. Like the Nickel package, the TPA was enacted along with a bond bill that allowed for the early spending of $8.5 billion in capital projects over 16 years.

American Recovery and Reinvestment Act of 2009. On February 17, 2009, U.S. Congress enacted the American Recovery and Reinvestment Act of 2009 (ARRA), providing $787 billion in spending and tax cuts nationwide. The ARRA includes federal tax cuts, expansion of unemployment benefits and other social welfare provisions, and domestic spending in education, health care, and infrastructure, including the energy sector. Of the total, $27 billion is provided nationally for surface transportation infrastructure. It is expected that Washington will receive about $492 million of these funds, of which $151 million would be distributed to local governments, metropolitan planning organizations, and other local transportation entities, and $341 million would be distributed to the state. In addition to the surface transportation grants, the ARRA includes several national discretionary programs to be administered by federal agencies, including an $8 billion high-speed rail program, a $1.5 billion national surface transportation program, a $1.3 billion program for capital grants to Amtrak, and a $60 million ferry grants program.

Funding under the ARRA may be distributed to states after the federal implementing agencies enact rules promulgating obligation authority and apportioning the funds to the states. Obligation authority allows agencies such as the Federal Highway Administration (FHWA) to reimburse states for expenditures on federally-eligible transportation projects.

Summary: 2009 Supplemental Transportation Budget. The 2007-09 biennial Transportation Budget is amended to reflect a deceleration in capital spending as well as unexpected end-of-biennium expenses. Appropriations levels are decreased across a broad array of programs, reducing net spending by about $625 million, excluding consideration of the ARRA funds. Additional spending authority is included for costs incurred due to several unanticipated events, including severe floods and winter storms, as well as extraordinary increases in fuel costs at the beginning of Fiscal Year 2009. The supplemental budget also reflects the change in the economic climate since the summer of 2008: several programs' and agencies' appropriations are decreased to correspond to hiring freezes and/or efficiency savings.

In addition to other supplemental changes, a few legislative priorities are advanced in the 2009 supplemental budget. Within the current spending levels, the Joint Transportation Committee must begin a comprehensive analysis of mid-term and long-term transportation funding mechanisms and methods, due at the end of calendar year 2009, and the Department of Licensing (DOL) must begin evaluating the potential transfer of fuel tax administration from DOL to the Department of Revenue, with a report due in November 2009. Additional funding authority of $190,000 is provided to the WSDOT for the purpose of rehabilitating the SR 532/84th Avenue NW bridge deck.

Implementation of the American Recovery and Reinvestment Act of 2009. Spending authority is provided for up to $341 million in federal funding from the ARRA. The authority is granted to the WSDOT for a number of improvement, preservation, and traffic operations projects. The WSDOT is directed to obligate half of the funds within 120 days of when the FHWA apportions the ARRA funding to the states. The WSDOT must obligate all funds within one year of apportionment. The funds must be spent on a list of projects identified in a separate document. The projects on the list are prioritized into two tiers; the top tier projects would receive funding according to the allocation shown on the list, and the second tier projects are eligible to receive funding if additional federal funding is received or if the costs of the top tier projects are less than originally anticipated. Within each tier, the priority is to allocate funds to Nickel or TPA projects that have otherwise been proposed to be delayed due to funding or other constraints. Other projects would then be prioritized according to how soon the project contract could be let.

The WSDOT is given authority to reallocate funding as necessary to facilitate completion of projects on the list with the highest priority, or to maintain maximum eligibility for federal funding. The WSDOT is required to report to the Legislature and the Office of Financial Management

(OFM) on the status and funding of the projects on June 30, August 31, and December 1, 2009.

If the state receives additional federal ARRA funding after the funds are initially apportioned, the WSDOT must allocate funds to the projects on the list according to the legislative priorities in the act. If more funds are received than are anticipated by the allocations shown in the list, the WSDOT is required to allocate funds to capital projects that are adopted as part of the 2009-11 omnibus Transportation Budget.

The WSDOT is directed to apply to the competitive grant programs created in the ARRA to the extent practicable and for all modes and transportation-related activities for which funding grants are made available.

The WSDOT must convene a local oversight and accountability panel for the purpose of distributing the ARRA funds to local jurisdictions outside of transportation management areas. The panel must include representatives from the Washington State Association of Counties, Association of Washington Cities, the Washington Public Ports Association, and the Transportation Improvement Board. The panel is directed to ensure rapid project delivery, and the WSDOT must ensure that the state obligates funds in a timely manner.

Votes on Final Passage:

House	67	28
Senate	45	4

Effective: March 5, 2009

SHB 1984

C 256 L 09

Authorizing the use of a safe alternative refrigerant in motor vehicle air conditioning equipment.

By House Committee on Ecology & Parks (originally sponsored by Representatives Finn, Armstrong, Upthegrove and Wood).

House Committee on Ecology & Parks
Senate Committee on Environment, Water & Energy

Background: Air-Conditioning Equipment. "Air-conditioning equipment" is defined in statute as mechanical vapor compression refrigeration equipment that is used to cool the driver or passenger compartment of any motor vehicle. It is illegal for air-conditioning equipment to contain any refrigerant that is toxic or flammable.

Federal Significant New Alternatives Policy. The federal Clean Air Act provides for the review of alternatives to ozone-depleting substances and the approval of substitutes that do not present a more significant risk than other available alternatives. Similarly, federal law requires that, to the maximum extent practicable, certain substances must be replaced by chemicals, product substitutes, or alternative manufacturing processes that reduce overall risks to human health and the environment. This policy is known as the Significant New Alternatives Policy (SNAP). Under the SNAP, the U.S. Environmental Protection Agency (EPA) is required to publish a list of prohibited substitutes for specific uses, as well as safe alternatives identified for specific uses. Pursuant to its authority under the SNAP, the EPA promulgated a rule in 2008 that permits the use of a substitute for motor vehicle air-conditioning substances that is a non ozone-depleting gas.

Summary: Alternative refrigerants may be used in motor vehicle air-conditioning equipment if the refrigerant is included in the list of safe alternative motor vehicle air-conditioning substitutes for chlorofluorocarbon-12 published by the EPA, as it exists on the effective date of this act.

Votes on Final Passage:

House	94	1
Senate	47	0

Effective: July 26, 2009

EHB 1986

C 446 L 09

Authorizing a peer mentoring pilot program at Western Washington University and a community or technical college.

By Representatives Hasegawa, Anderson, Wallace, White and Sells.

House Committee on Higher Education
House Committee on Education Appropriations
Senate Committee on Higher Education & Workforce Development
Senate Committee on Ways & Means

Background: Definition. Mentoring is defined as a sustained relationship between a youth and an adult or an older youth. Through continued involvement, the adult or older student offers support, guidance, and assistance as the younger person goes through a difficult period, faces new challenges, faces academic challenges, or works through family and other social problems. In particular, where parents are either unavailable or unable to provide responsible guidance for their children, mentors can play a critical role.

Growth in Mentoring Programs. The number of mentoring programs has grown dramatically in recent years. This popularity results in part from compelling testimonials by people - youth and adults alike - who have themselves benefited from the positive influence of an older person who helped them endure social, academic, family, or personal crises.

How does a Mentoring Program Work? Mentoring programs are established to match a suitable adult or older youth - the mentor - with a younger person. Potential mentors are recruited from various sources including high schools, colleges and universities, and professional and

religious communities, as well as neighborhood citizens. Nominations for mentors are sought formally through a structured program and recruiting process and informally through flyers, posters, mailings, and word-of-mouth. Appropriately matching mentors with younger students is a key component of most programs. Matching can be done formally and informally through interviews, personal profiles, comparative interest inventories, and get-acquainted sessions. In some cases, mentoring occurs in a group setting in which groups of younger students are matched with a small group of older students or adults.

Research. While research on the effects of mentoring is scarce, some studies and program evaluations do support positive claims. In general terms, findings indicate that mentored students have much higher career goals, suggesting that the mentoring process may have triggered a greater concern for the future among the mentored students. Results have also shown that mentored students were doing better academically, on average, than students without mentors.

Summary: Western Washington University must establish a mentoring pilot project in partnership with a community or technical college identified by the State Board for Community and Technical Colleges. The goals of the mentoring program include: (1) encouraging elementary students to complete high school and pursue college; (2) providing positive role models; and (3) developing a model that is scalable. The pilot project must be implemented within existing resources.

In establishing the pilot project, institutions must:

- recruit college students to serve as mentors and identify an elementary school or schools;
- develop a curriculum to train mentors;
- solicit grants, awards, and gifts;
- develop appropriate outcome measures;
- provide community outreach and publicity of the program; and
- submit two reports to the Legislature; the first preliminary report is due by December 1, 2010, and the final report is due December 1, 2011.

Votes on Final Passage:

House	95	0	
Senate	47	0	(Senate amended)
House	98	0	(House concurred)

Effective: July 26, 2009

HB 1997

C 99 L 09

Regarding Puget Sound scientific research.

By Representatives Finn, Rolfes, Smith, Dunshee, Upthegrove, Kretz, Chase, Dickerson, Liias, Kagi, Nelson, Kessler, Hunt and Blake; by request of Puget Sound Partnership.

House Committee on Ecology & Parks
Senate Committee on Environment, Water & Energy

Background: The Puget Sound Scientific Research Account. The Puget Sound Scientific Research Account (Research Account) was created in 2007. Monies in the Research Account may be used only for research programs and projects. The original 2007 legislation assigned the task of selecting research funded by the Research Account to the Leadership Council of the Puget Sound Partnership (Leadership Council).

The Governor issued a partial veto to this legislation, removing the provision that directed the Leadership Council to select the research funded from the Research Account. The veto message also directed the Puget Sound Partnership to develop legislation that harmonizes the implementation of the Research Account with the overall Puget Sound recovery efforts.

The Puget Sound Science Panel. The Puget Sound Science Panel (Science Panel) is a nine-member body appointed by the Leadership Council to assist the Puget Sound Partnership with the execution of its duties. The role of the Science Panel includes the identification of environmental indicators and the offering of an ecosystem-wide scientific perspective. The Science Panel is also responsible for identifying gaps in needed science and developing a competitive peer-review based process for funding research and modeling projects.

Summary: Expenditures from the Research Account are limited to research programs and projects selected by a process developed and overseen by the Science Panel.

The Science Panel is required to develop and implement an appropriate process for the peer review of monitoring, research, and modeling.

Votes on Final Passage:

House	97	0
Senate	44	0

Effective: July 26, 2009

SHB 2003

C 531 L 09

Changing professional educator standards board provisions.

By House Committee on Education (originally sponsored by Representatives Orwall, Sullivan, Quall, Priest and Maxwell; by request of Governor Gregoire).

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

Background: Professional Educator Standards Board. Created in 2000, the Professional Educator Standards Board (PESB) was initially created as an advisory board to the Governor, Legislature, the State Board of Education (SBE) and the Office of the Superintendent of Public Instruction (OSPI) on policy issues related to certificated education professionals. The PESB was also directed to create alternative routes to teacher certification and administer new basic skills and subject knowledge assessments for teacher certification. Subsequently, the PESB was given responsibility and authority for policy and oversight of Washington's system of educator preparation, certification, continuing education, and assignment. The PESB also serves as an advisory body to the OSPI on issues related to educator recruitment, hiring, mentoring and support, professional growth, retention, evaluation, and revocation and suspension of licensure.

The PESB consists of 20 governor-appointed members and the Superintendent of Public Instruction. Members are subject to confirmation by the Senate, serve four-year terms, and are prohibited from serving more than two consecutive full terms. The chair is appointed by the Governor to a one year term. No board member may serve as chair for more than two consecutive years.

Membership is prescribed as follows:

- seven public school teachers;
- one private school teacher;
- three representatives of higher education educator preparation programs;
- four school administrators;
- two educational staff associates;
- one classified staff who assists in public school student instruction;
- one parent; and
- one member of the public.

Certificate Revocation. The Superintendent of Public Instruction (Superintendent) is authorized to issue, suspend, and revoke school employee certificates. A certificated person has a right to appeal such a decision to the Superintendent. The appeal procedure consists of two levels, one informal by a review officer appointed by the Superintendent, and the second a formal administrative hearing in conformance with the Administrative Procedure Act (APA). Either the Superintendent or an administrative law judge from the Office of Administrative Hearings presides over the formal hearing and issues the decision. From this decision, there is an additional appeal available to the PESB, and the APA also provides for judicial review of such decisions.

Summary: Professional Educator Standards Board Responsibilities. The PESB is specifically charged with:

- developing and maintaining a research base of educator preparation best practices;
- developing and coordinating initiatives for educator preparation in high-demand fields as well as outreach and recruitment initiatives for underrepresented populations;
- providing program improvement technical assistance to educator preparation programs;
- assuring educator preparation program compliance; and
- preparing and maintaining a cohesive educator development policy framework.

Professional Educator Standards Board. The number of governor appointed members is reduced from 20 to 12. The Superintendent of Public Instruction continues to serve on the PESB board, members continue to serve four-year terms, and the current term limits remain in place. The term of the chair is increased from one year to two years; no person may serve as chair for more than four consecutive years.

A majority of the members must be active practitioners with the majority being classroom based. The PESB board must also include individuals possessing experience of one or more of the following types:

- providing or leading a state-approved teacher or educator preparation program;
- mentoring and coaching education professionals or others; and
- having education-related community experience.

In making appointments, the Governor must consider the individual's commitment to quality education and the ongoing improvement of instruction, experiences in the public or private schools, involvement in developing quality teaching preparation and support programs, and vision for assuring teaching quality. The Governor must also consider the diversity of the population of the state. Appointments must still be confirmed by the Senate.

The PESB is authorized to create informal advisory groups as needed to inform the board's work.

Certificate Revocation. Additional appeals to the PESB from the Superintendent's suspension or revocation decisions. Judicial review is still available.

Votes on Final Passage:

House	94	0	
Senate	45	1	(Senate amended)
House	95	0	(House concurred)

Effective: July 26, 2009
August 1, 2009 (Section 2)

SHB 2013

C 119 L 09

Allowing the owner of a self-service storage facility to offer self-service storage insurance.

By House Committee on Financial Institutions & Insurance (originally sponsored by Representatives Green, Roach, Kirby, Warnick and Morrell).

House Committee on Financial Institutions & Insurance
Senate Committee on Financial Institutions, Housing & Insurance

Background: The Insurance Commissioner (Commissioner) oversees insurers and insurance products in this state. A person must be licensed to sell insurance in this state.

Self-service storage facilities are regulated under the Washington Self-Storage Facility Act (Act). Facilities are not licensed or registered with any state agency. The Act requires that all rental and lease agreements are in writing. Owners of a self-storage facility must comply with certain procedures when addressing past due rent, terminating the rental or lease agreement, placing liens on personal property stored in the unit, and disposing of unclaimed personal property. There are no discrete penalties for violations of the Act.

Summary: An owner that intends to offer insurance covering the loss of or damage to personal property stored at a facility (Storage Insurance) must be licensed as a Self-service Storage Specialty Producer (Storage Producer). A license is not required to merely display Storage Insurance materials. Provisions are established regarding the licensing process. An insurer must provide a certificate indicating that the insurer has reviewed the background of an applicant for a license and will appoint that applicant to offer or sell Storage Insurance on the insurer's behalf. The training and education program is deemed approved if the Commissioner takes no action within 30 days of the receipt of the program.

An employee may sell Storage Insurance for a Storage Producer only if the employee:

- is over 18 years of age;
- is trustworthy and has not committed specific illegal or wrongful acts; and
- has completed a training and education program.

Licensing fees are established at:

- $130 for every two years for a Storage Producer with fewer than 50 employees;
- $375 every two years for a Storage Producer with 50 or more employees; and
- $35 per location.

A Storage Producer may not issue Storage Insurance unless:

- disclosure materials are made available to prospective occupants at every location where occupants are enrolled in Storage Insurance programs;
- all of the employees of the Storage Producer who are involved in the Storage Insurance transaction have completed a training and education program; and
- there is a manager responsible for the actions of employees at each location where a Storage Producer offers self-storage insurance.

The disclosure materials must:

- summarize the material terms of insurance coverage, including the contact information for the insurer, price, benefits, exclusions, and conditions;
- state that the Storage Insurance policies may provide a duplication of coverage already provided to the purchaser by an existing source of property insurance coverage;
- state that if insurance is required to rent storage, the requirement is satisfied by the occupant purchasing the Storage Insurance or by presenting evidence of other applicable insurance coverage;
- describe the process for filing a claim;
- state in writing all costs related to the Storage Insurance; and
- include other information required by rule by the Commissioner.

The conduct of an employee and authorized representative is the same as conduct of the Storage Producer for the purposes of enforcement.

The Commissioner may adopt rules to implement this act.

Votes on Final Passage:

House	97	0
Senate	43	3

Effective: July 1, 2010

HB 2014
C 328 L 09

Requiring tamper-resistant prescription pads.

By Representatives Kelley, Ericksen, Green and Morrell.

House Committee on Health Care & Wellness
Senate Committee on Health & Long-Term Care

Background: Medicaid Tamper-Resistant Prescription Law. Starting on October 1, 2008, in order for Medicaid outpatient drugs to be reimbursable by the federal government, all written, non-electronic prescriptions were required to contain at least three tamper-resistant features, one from each of the following three industry-recognized baseline characteristics outlined in guidance issued by the Centers for Medicare and Medicaid Services (CMS):

- one or more features designed to prevent unauthorized copying of a completed or blank prescription form;
- one or more features designed to prevent the erasure or modification of information written on the prescription by the prescriber; and
- one or more features designed to prevent the use of counterfeit prescription forms.

Although CMS has provided these baseline characteristics of tamper-resistant prescriptions, each state has the authority to define which features it will require to meet these characteristics in order to be considered tamper-resistant.

Electronic-Prescription Exceptions. An e-prescription is a computer-generated prescription created by a patient's health care provider and sent directly to a pharmacy. The CMS encourages the use of e-prescriptions as an effective and efficient method of communicating prescriptions to pharmacists. Consequently, the described Medicaid requirements do not apply to e-prescriptions transmitted to a pharmacy, prescriptions faxed to a pharmacy, or prescriptions communicated to the pharmacy by telephone by a prescriber.

Summary: Prescription Pad Requirements. Effective July 1, 2010, every prescription written by a licensed practitioner must be written on a tamper-resistant prescription pad or paper approved by the Board of Pharmacy (Board). Pharmacists may not fill a written prescription from a licensed practitioner unless it is written on an approved tamper-resistant prescription pad or paper. A pharmacist may nonetheless provide emergency supplies in accordance with the Board and other insurance contract requirements.

A tamper-resistant pad or paper must be approved by the Board for use and must contain the following industry-recognized characteristics:

- one or more features designed to prevent unauthorized copying of a completed or blank prescription form;
- one or more features designed to prevent the erasure or modification of information written on the prescription by the prescriber; and
- one or more features designed to prevent the use of counterfeit prescription forms.

Exemptions. The requirements for tamper-resistant pads or paper do not apply to:

- prescriptions that are transmitted to the pharmacy by telephone, facsimile, or electronic means; or
- where the authorized health care practitioner follows defined procedures, prescriptions written for specified individuals, including:
  - inpatients and outpatients of a hospital;
  - residents of a nursing home;
  - inpatients or residents of a mental health facility; and
  - incarcerated individuals.

If a hard copy of an electronic prescription is given directly to the patient, however, the manually signed hard copy prescription must be on approved tamper-resistant paper.

Seal of Approval. The Board must create a seal of approval that confirms that a pad or paper contains all three required industry-recognized characteristics. The seal must be affixed to all prescription pads or paper and all vendors must have their tamper-resistant prescription pads or paper approved by the Board prior to the marketing or sale of pads or paper.

Votes on Final Passage:

House	95	0	
Senate	46	0	(Senate amended)
House	95	0	(House concurred)

Effective: July 26, 2009

E2SHB 2021
PARTIAL VETO
C 215 L 09

Revitalizing student financial aid.

By House Committee on Education Appropriations (originally sponsored by Representatives Kenney, Probst, Wallace, Sullivan, Priest, Maxwell, Chase, Ormsby, Hudgins, Jacks, Liias, White, Sells, Morrell, Kelley, Darneille, Wood and Roberts).

House Committee on Higher Education
House Committee on Education Appropriations
Senate Committee on Higher Education & Workforce Development
Senate Committee on Ways & Means

Background: State Work Study Program. The State Work Study (SWS) program provides part-time work opportunities to needy students, enabling them to earn

money for college often while gaining experience in jobs related to their career goals. The SWS program also provides students with an alternative to high levels of borrowing. The state's two- and four-year colleges and universities, and many accredited independent four-year colleges and universities, offer this form of financial assistance to eligible students.

Educational Opportunity Grant. The Educational Opportunity Grant (EOG) program provides $2,500 grants to encourage financially needy students to complete a bachelor's degree. Students must be Washington residents, have already earned an associate of arts or sciences degree, and be "placebound." To be considered placebound, students must be unable to continue their education – without the assistance of this grant – because of family or work commitments, health concerns, financial need, or other similar factor.

Summary: Rebranding. The public institutions of higher education must label the state subsidy per student, under the umbrella term of "Opportunity Pathway" on the tuition billing statement. In addition, the institutions must label all types of financial aid under the umbrella term of "Opportunity Pathway" on the tuition billing statement or the financial aid award letter. This includes aid from all sources including federal, state, and local governments, local communities, nonprofit and for-profit organizations, and institutions of higher education. Federal student loans and aid not included in the financial aid awarded through the institution are exempted from the labeling requirements. The tuition billing statement must also notify resident undergraduate students of any higher education tax credits for which they may be eligible. The institutions retain the ability to customize their tuition billing statements and financial aid award letters to differentiate between programs and provide the clearest information to students; however, all tuition billing statement notifications must be in 12-point font.

Program Consolidation. The Educational Opportunity Grant (EOG) program is phased out over a period of two years. No new awards are allowed, but current recipients are held harmless and receive their full award. Subject to decisions made in the state operating budget, funding for the EOG program may be appropriated to the State Need Grant to provide an enhanced need grant for placebound students who have earned an associate degree. The EOG program is removed from statute effective August 1, 2011.

Outreach. The Higher Education Coordinating Board (HECB) must label all student financial assistance programs that they oversee under the umbrella term of "Opportunity Pathway." This includes all printed materials, presentations, and web content. Loans provided by the federal government and aid granted to students outside of the financial aid package provided through institution of higher education do not need to be labeled an opportunity pathway. If a web-portal is created that provides a "one-stop shop" for college-going information, all financial aid must be listed underneath the "Opportunity Pathway" label, except for federal loans and non-institutional aid. The website must also contain information about any federal higher education tax credits for which students may be eligible. The HECB retains the ability to customize the display to differentiate between various loan programs.

Changes to the State Work Study Program. The HECB must award competitive grants to colleges and universities that develop partnerships with local firms in high demand industries. The firms must offer a job placement in a high demand field for at least one academic term. "High demand" may be determined for the state or a sub-state region. Funding may be used for wages and program administration.

Institutional Aid for Dual Credit Programs. Colleges and universities may use their institutional aid funds for students in dual credit programs. The governing boards of the baccalaureate institutions and the SBCTC must adopt rules to administer the funds. The money may be used for all educational expenses including tuition, fees, course materials, and transportation.

Higher Education Loan Program. The Washington Higher Education Loan Program (HELP) is created. The HECB is in charge of program administration and must create a program that would allow students to borrow at low interest rates, offer conditional loans that could be forgiven in exchange for service, and offer emergency loans until other state or federal funding could be secured. The HECB must also determine loan repayment obligations, publicize the program, and accept public and private contributions. The HECB must also work with the State Board for Community and Technical Colleges, the Workforce Training and Education Coordinating Board, and students to periodically assess program needs.

Votes on Final Passage:

House	62	34	
Senate	38	9	(Senate amended)
House	64	34	(House concurred)

Effective: August 1, 2009

Partial Veto Summary: Vetoes section 11 that limits non-resident student participation in the state Work Study Program to 15 percent or a lesser amount specified in the state operating budget. This language duplicates changes to the state Work Study Program made in Substitute Senate Bill 5044.

VETO MESSAGE ON E2SHB 2021

April 25, 2009

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

Ladies and Gentlemen:

I am returning, without my approval as to Section 11, Engrossed Second Substitute House Bill 2021 entitled:

"AN ACT Relating to revitalizing student financial aid."

Section 11 duplicates changes to the State Work-Study Program made in Substitute Senate Bill 5044 which I signed on April 22, 2009. I agree with the policy, but as the other bill amends the same statute in the same way, there is no need for this section.

For this reason, I have vetoed Section 11 of Engrossed Second Substitute House Bill 2021.

With the exception of Section 11, Engrossed Second Substitute House Bill number 2021 is approved.

Respectfully submitted,

Christine O. Gregoire
Governor

HB 2025

C 398 L 09

Sharing health care information.

By Representatives Orwall, Hinkle, Dickerson, Green, Appleton, Driscoll, Morrell, Kagi, Van De Wege and Kenney.

House Committee on Human Services
Senate Committee on Health & Long-Term Care

Background: In Washington, all mental health treatment records, with a few exceptions, are confidential. They may be released only to persons designated by statute or to other persons designated in an informed written consent of the patient. In some circumstances, treatment records may be released without the consent of the patient. Such records, however, remain confidential. Treatment records may be released without consent as follows:

- to a person, organization or agency as necessary for management or financial audits or program monitoring and evaluation;
- to the Department of Social and Health Services (DSHS) when necessary to be used for billing or collection purposes;
- for research as permitted under statute;
- pursuant to a lawful order of the court;
- to qualified staff members 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;
- to persons working within the treatment facility where the patient is receiving treatment;
- within the DSHS as necessary to coordinate treatment for mental illness, developmental disabilities, alcoholism, or drug abuse;
- to a licensed physician who has determined that the life or health of the person is in danger and that treatment without the information could be injurious to the patient's health;
- to a facility that is to receive a person who is involuntarily committed under the Involuntary Treatment Act;
- to a correctional facility for limited purposes;
- to the person's counsel or guardian ad litem in order to prepare for involuntary commitment proceedings;
- limited information to staff members of non-profit advocacy agencies for the purpose of protecting and advocating the rights of persons with mental disorders or developmental disabilities; or
- the DSHS may release information acquired for billing and collection purposes to coordinate care.

Summary: In addition to the existing statutory provisions for the release of mental health treatment records without a patient's consent, treatment records may be released to a licensed mental health professional or a health care professional, and their support staff, who is providing care to a person or to whom a person has been referred for evaluation or treatment. Such treatment records may only be released for the purpose of coordinating care and treatment of that person. (Thus, a healthcare professional providing medical treatment may coordinate with a healthcare professional providing mental health treatment to provide care for the same patient.) Psychotherapy notes may not be released without authorization of the person who is the subject of the request for release of information.

Votes on Final Passage:

House	94	0	
Senate	44	0	(Senate amended)
House	95	0	(House concurred)

Effective: July 26, 2009

ESHB 2035

C 532 L 09

Requiring registered sex and kidnapping offenders to submit information regarding any e-mail addresses and any web sites they create or operate.

By House Committee on Public Safety & Emergency Preparedness (originally sponsored by Representatives Klippert, O'Brien, Shea, Haler, Roach, Armstrong, Pearson, McCune, Condotta, Orwall, Ross, Hurst, Smith, Kristiansen, Kretz, Orcutt, Kelley, Warnick and Angel).

House Committee on Public Safety & Emergency Preparedness
Senate Committee on Human Services & Corrections

Background: A sex or kidnapping offender must register with the county sheriff of the county in which he or she resides. The offender must also notify the county sheriff if he or she enrolls in a public or private school or an institution of higher education. Law enforcement officials use the information in the registry to notify the public, subject to certain guidelines, of a sex offender's presence in the community.

An offender who serves a term of confinement pursuant to a conviction for a sex or kidnapping offense must register at the time of release with the agency that has

jurisdiction over the offender. The agency must then transmit the information within three days to the county sheriff. The offender must also register with the county sheriff within 24 hours of release.

An offender who changes his or her address or becomes homeless must provide written notice to the county sheriff of his or her change in status. Homeless offenders must report weekly to the county sheriff. Level II and III sex offenders who have a fixed residence must report to the county sheriff every 90 days.

An offender must provide the following information to comply with registration requirements:

- name;
- complete residential address;
- date and place of birth;
- place of employment;
- crime for which convicted;
- date and place of conviction;
- aliases used;
- Social Security number;
- photograph; and
- fingerprints.

In 2008 legislation was enacted directing the Sentencing Guidelines Commission to establish the Sex Offender Policy Board (SOPB) to research, review, and discuss issues relating to the assessment, treatment, and supervision of sex offenders.

Summary: The SOPB is directed to include, in its November 2009 report to the Legislature, a review and recommendation as to whether sex and kidnapping offender registration requirements should be modified to require offenders to submit to law enforcement (1) their electronic mail address or other Internet communication name or identity, including but not limited to instant message, chat, or social networking names or identities, and (2) the uniform resource locator of any personal website created or operated by the offender.

The SOPB is further directed to include in its November report any other issues associated with establishing and implementing such a registration requirement, and the appropriate sanctions for an offender's failure to provide such information in a timely and accurate manner.

Votes on Final Passage:

House	97	0	
Senate	47	0	(Senate amended)
House	98	0	(House concurred)

Effective: July 26, 2009

EHB 2040

C 506 L 09

Concerning the work of the joint select committee on beer and wine regulation.

By Representatives Conway and Condotta.

House Committee on Commerce & Labor

Senate Committee on Labor, Commerce & Consumer Protection

Background: In 2008 the Legislature established a Joint Select Committee on Beer and Wine Regulation (Select Committee) to review the laws relating to the manufacturer, distribution, and sale of beer and wine (2ESSCR 8407). The Select Committee met during the 2008 interim and produced a final report with recommendations.

Tied House Law. The tied house law prohibits certain relationships between the manufacture and distributor tiers of the liquor industry and the retailer tier. Nearly all states and the federal government have some form of tied house law. The laws were intended to prevent inappropriate or coercive business practices between the tiers of the liquor industry.

Financial interest. The financial interest part of the tied house law prohibits a manufacturer, importer, distributor, or authorized representative, or person financially interested, directly or indirectly, in such a business, from having any direct or indirect financial interest in a licensed retailer. In addition, a manufacturer, importer, distributor, or authorized representative may not own any of the property on which a licensed retailer conducts business, and may not hold a retail license or sell at retail.

A number of exceptions have been enacted. For example, wineries and breweries may sell at retail on their premises and a brewery may hold up to two licenses for a restaurant and/or tavern on its premises or at separate locations. A nonprofit association or a wine industry association with an officer, director, owner, or employee of a winery on its board of directors may hold a special occasion license. Other exceptions have been enacted.

"Moneys' worth." The "moneys' worth" part of the tied house law prohibits a manufacturer, importer, distributor, or authorized representative from advancing to a licensed retailer, and a retailer from receiving, moneys or moneys' worth. Exceptions include the following:

- Manufacturers, distributors, and importers may provide display and stocking services, price case goods, and perform other normal business services for retailers.
- Wineries may provide certain personal services at spirits, beer, and wine restaurants, wine and/or beer restaurants, and specialty wine shops.
- Wineries and breweries and retailers may provide information about and link to each other on their websites.

Pricing. *"Post and hold."* It is unlawful for a beer or wine manufacturer, importer, or distributor to modify prices without notifying and obtaining Liquor Control Board (Board) approval. A statute states that beer and wine suppliers and distributors must file prices with the Board. Until recently, a Board rule required suppliers and distributors to adhere to posted prices for at least 30 days. These provisions were known as the "post and hold" requirement. In 2008 the "post and hold" requirements were struck down by the Ninth Circuit Court of Appeals in the *Costco v. Hoen* litigation.

Minimum mark-up. Beer and wine manufacturers and distributors must mark-up the price of their product to a distributor or retailer, as the case may be, by at least 10 percent above the acquisition/production cost.

Summary: Intent. Legislative recognition is made that the three-tier system is a valuable system for the distribution of beer and wine. The Legislature further recognizes that the historical total prohibition on ownership in different tiers as well as the historical restriction on financial incentives and business relationships between tiers are unduly restrictive. The Legislature finds that the modifications adopted are appropriate, because the modifications do not impermissibly interfere with the goals of: (1) orderly marketing of alcohol; (2) encouraging moderation; (3) protecting the public interest and advancing public safety by preventing consumption by minors and other abusive consumption; and (4) promoting the efficient collection of taxes.

Tied House Law. *Overview.* The tied house law is repealed and new provisions adopted. In general, financial interests between industry members (manufacturer and distributor tiers) and retailers are permitted. Industry members generally continue to be prohibited from advancing, and retailers continue to be prohibited from accepting, moneys' worth. The exceptions to the moneys' worth prohibition are retained with some changes, and an additional exception for branded promotional items is added.

Definitions. Definitions are added, including the following:

An "industry member" is a manufacturer, producer, supplier, importer, wholesaler, distributor, authorized representative, certificate of approval holder (out-of-state manufacturer), warehouse, and any affiliates, subsidiaries, officers, directors, partners, agents, employees, and representatives of any industry member.

"Adverse impact on health or safety" means a practice or occurrence that has resulted or is more likely to result in alcohol being made significantly more attractive or available to minors, or has resulted in or is more likely to result in overconsumption, consumption by minors, or abusive forms of consumption.

"Undue influence" means one retailer or industry member influencing the purchasing, marketing, or sales decisions of another industry member or retailer by any agreement or other business practices or arrangements which result directly or indirectly in circumstances including:

- a retailer on an involuntary basis purchasing less than it would have of another industry member's product;
- purchases made by a retailer or industry member as a prerequisite for purchase of other items;
- a retailer purchasing a specific or minimum quantity or type of a product from an industry member;
- an industry member requiring a retailer to take and dispose of a certain product type or quota of the industry member's products;
- a retailer having a continuing obligation to purchase or otherwise promote or display an industry member's product;
- an industry member having a continuing obligation to sell a product to a retailer;
- a retailer or an industry member having a commitment not to terminate its relationship with the other party with respect to sale and purchase of a particular product;
- an industry member or retailer being involved in each other's day-to-day operations in a manner that violates the provisions; and
- discriminatory pricing practices prohibited by law or other practices that are discriminatory if the product is not offered to all retailers in the local market on the same terms.

Financial interest. It is lawful for an industry member to have a direct or indirect financial interest in another industry member or a retailer unless the interest has resulted in or is more likely than not to result in undue influence over the retailer or industry member or an adverse impact on public health and safety. The standard also applies to financial relationships between manufacturers and distributors. The financial interests between tiers must be structured so that an entity in one tier may not hold a license in another tier in its name. However, the exceptions which allow an entity with a license in one tier to hold a license in or exercise the privileges of another tier are retained.

A complaint process is established. Any person may file a complaint or request for determination with the Liquor Control Board (Board) asserting undue influence or an adverse impact on public health or safety. The Board may investigate and issue an administrative violation notice or notice of intent to deny the license, or both, and the Board may require that a transaction be undone.

Moneys' worth. Industry members may not advance to a retailer, and a retailer may not receive from an industry member, moneys' worth under any business practice or arrangement.

The exceptions in current law are retained with some changes. The personal services exception is broadened to allow wineries to provide personal services for special

occasion licensees and private club licensees. Most of the exceptions are made applicable to all industry members.

A new exception allows branded promotional items of nominal value, singly or in the aggregate. Items include trays, lighters, blotters, postcards, pencils, coasters, menu cards, meal checks, napkins, clocks, mugs, glasses, hats, and visors. The items must be used exclusively by the retailer or the retailer's employees in a manner consistent with the liquor license, must bear imprinted matter of the industry member only, may not be provided to retail consumers, and may not be targeted to or appeal principally to youth.

A complaint process is established for branded promotional items similar to the complaint process for financial interests. Any person may file a complaint with the Board asserting undue influence, an adverse impact on public health or safety, or that the provision of the items is otherwise inconsistent with the requirements for promotional items. The Board may investigate and issue an administrative violation notice.

Recordkeeping. Industry members and retailers must keep records for three years of moneys' worth furnished or received and financial ownership or interests between industry members and retailers.

Pricing. *Intent.* Intent language in the pricing provisions is deleted.

Posting. The provision prohibiting suppliers and distributors from modifying prices without notification to and approval of the Board is deleted. The requirement for beer and wine suppliers and distributors to file prices with the Board is deleted. Distributors and suppliers must maintain price lists at their licensed locations.

Minimum mark-up. The requirement that suppliers mark-up prices to distributors or retailers and that distributors mark-up prices to retailers by 10 percent of acquisition/production cost is removed. The prohibition against sales below cost is retained.

Other. The Board is given rule-making authority.

Votes on Final Passage:

House	92	3	
Senate	45	1	(Senate amended)
House			(House refused to concur)
Senate	46	0	(Senate receded)

Effective: July 26, 2009

SHB 2042

C 100 L 09

Concerning the incentive in the motion picture competitiveness programs.

By House Committee on Community & Economic Development & Trade (originally sponsored by Representatives Kenney, Parker, Hasegawa, Chase and Ormsby).

House Committee on Community & Economic Development & Trade

Senate Committee on Labor, Commerce & Consumer Protection

Background: The Motion Picture Competitiveness Program (Program) was established by legislation in 2006 and modified in 2008. The purpose of the Program is to revitalize the state's economic, cultural, and educational standing in the national and international markets of motion picture production.

A non-profit 501 (c) (6) corporation may receive contributions from businesses for the purpose of providing funding assistance to motion picture production companies for film production costs, including health insurance, payments into a retirement plan, and other associated expenses. These contributions may also be used to market a tax credit, and for Program administration. An eight-member board of directors is appointed by the Governor to administer the Program. The Department of Community, Trade and Economic Development (DCTED) is responsible for adopting rules to guide the Program and for reporting results to the Legislature.

A business and occupation (B&O) tax credit is offered for a business making a contribution to the Program. The maximum B&O tax credit that may be earned by a taxpayer each calendar year is the lesser of $1 million, or 100 percent of the business contribution. There is a statewide credit cap of $3.5 million per calendar year. Credits are available on a first-in-time basis. A Joint Legislative Audit and Review Committee study is due in December 2010 on the effectiveness of the B&O tax credit.

Funding assistance to a motion picture production company is predicated on the type of production and the actual amount invested within the state. The maximum funding assistance is 20 percent of the total actual investment when at least $500,000 is invested for a single feature film, at least $300,000 is invested for a television episode, or at least $150,000 is invested for an infomercial or television commercial associated with a national or regional advertisement campaign.

By March 31 each year, the DCTED must survey motion picture production companies that received funding assistance in the previous calendar year. The survey must include information on the funding amount and its impacts on employment, wages, and benefits. The DCTED may extend the reporting deadline, but if a production company fails to submit an annual survey by the given deadline, the production company must repay the funding amount plus

interest. The DCTED must compile the survey information into a report to the Legislature by September 1 annually.

Summary: Maximum funding assistance to a motion picture production company is limited to 30 percent, rather than 20 percent, of the company's total actual investment in the state, effective immediately.

Votes on Final Passage:

House	96	0
Senate	44	2

Effective: April 15, 2009

ESHB 2049

C 534 L 09

Concerning personnel practices regarding exempt employment.

By House Committee on State Government & Tribal Affairs (originally sponsored by Representatives Seaquist, Appleton, Hunt, Armstrong, Chandler, Chase and Miloscia).

House Committee on State Government & Tribal Affairs
Senate Committee on Labor, Commerce & Consumer Protection

Background: The Director of the Department of Personnel (Department) is appointed by the Governor, subject to confirmation by the Senate. The Director oversees the Department's administration of civil service rules and technical activities, and has the authority to adopt rules regarding such things as probationary periods, transfers, promotional preference, and layoffs. Rules adopted by the Director may be superseded by the provisions of a collective bargaining agreement, but this affects only those employees in that bargaining unit covered by that bargaining agreement.

The Washington Management Service was established in 1993 as a separate personnel system for civil service managers within the executive branch of state government. Its purpose is to develop and maintain a professional managerial workforce, and to provide agencies increased flexibility for their management positions in the areas of hiring and setting compensation. The Director is also authorized to adopt rules for this management system.

After July 1, 1993, any employee whose position is exempted has the right to appeal, either individually or through his or her authorized representative, to the Washington Personnel Resources Board.

Summary: The Director must require each state agency to report annually on: the number of classified, Washington Management Service, and exempt employees in the agency and the change compared to the previous report; the number of bonuses and performance-based incentives awarded to agency staff; and the cost of each bonus or incentive awarded. A compilation of the data for each agency must be provided annually to the Governor and the appropriate committees of the Legislature and posted on the Department's website.

If a vacant position is being exempted, the exclusive bargaining unit representative may act in lieu of an employee for the purposes of an appeal.

Votes on Final Passage:

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

Effective: July 26, 2009

SHB 2052

C 257 L 09

Delaying the implementation of the health insurance partnership.

By House Committee on Ways & Means (originally sponsored by Representative Cody; by request of Health Care Authority).

House Committee on Health Care & Wellness
House Committee on Ways & Means
Senate Committee on Health & Long-Term Care
Senate Committee on Ways & Means

Background: The Health Insurance Partnership (Partnership) was created to provide an affordable source of health insurance coverage for small employers and their employees. The Partnership will provide health insurance coverage for employees of small employers by combining contributions from small employers and their employees with a public subsidy from the state. The Partnership is scheduled to begin offering health insurance coverage by March 1, 2009.

Summary: The operation of the Partnership is delayed from March 1, 2009, to January 1, 2011, unless sufficient state or federal funds are provided to begin operation earlier.

Votes on Final Passage:

House	62	34
Senate	41	5

Effective: July 26, 2009

SHB 2061

C 9 L 09

Concerning the powers of the public deposit protection commission in regard to banks, savings banks, and savings associations as public depositaries.

By House Committee on Financial Institutions & Insurance (originally sponsored by Representative Kirby; by request of State Treasurer).

House Committee on Financial Institutions & Insurance

Background: Public funds may be deposited only in banks and thrift institutions that have been approved as public depositaries by the Public Deposit Protection Commission (Commission). The Commission is comprised of the Governor, the Lieutenant Governor, and the State Treasurer. The State Treasurer chairs the Commission and provides administrative support. The Commission is responsible for protecting all public funds deposited in public depositaries.

"Public funds" are those moneys belonging to or held for the state, its political subdivisions, municipal corporations, agencies, courts, boards, commissions, or committees, and includes moneys held in trust.

A "public depositary" is a financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes, which has been approved by the Commission to hold public deposits, and which has segregated eligible collateral having a value of not less than its maximum liability. There are separate collateral pools maintained for banks and thrifts.

The Commission's powers include:

- requiring any public depositary to furnish information dealing with public deposits and the exact status of its net worth;
- taking action for the protection, collection, compromise or settlement of any claim arising in case of loss of public funds;
- establishing requirements for qualification of financial institutions as public depositaries, and other terms and conditions under which public deposits may be received and held;
- setting criteria establishing minimum standards for the financial condition of bank and thrift depositaries and, if the minimum standards are not met, providing for additional collateral requirements or restrictions regarding a public depositary's right to receive or hold public deposits;
- fixing the official date on which any loss shall be deemed to have occurred; and
- in case loss occurs in more than one public depositary, determining the allocation and time of payment of any sums due to public depositors.

To be approved as a public depositary, a financial institution must meet minimum requirements of the Commission and must pledge securities as collateral to protect public funds on deposit in all public depositaries (not just for that particular institution). For the first 12 months as a public depositary, a depositary must pledge and segregate eligible securities of at least 10 percent of all public funds on deposit in the depositary. If deposit insurance and collateral pledged by a failed institution are insufficient to reimburse all public depositors, the other public depositaries are each assessed a proportionate share of the shortfall.

The Commission may require the State Auditor or the Department of Financial Institutions (DFI) to investigate and report on the condition of any financial institution applying to become a public depositary. The Commission may also require an investigation and report on the condition of any public depositary. The DFI must also advise the Commission of any action the agency has directed a public depositary to take which will result in a reduction of greater than 10 percent of the net worth of the depositary. A public depositary must notify the Commission within five working days of any event that causes a reduction of greater than 10 percent in the net worth of the depositary.

Summary: Powers of the Commission. The Commission is given "broad administrative discretion" in performing its general powers. The Commission may delegate all of its authority to the State Treasurer, except rulemaking. The Commission may assess costs or deny, suspend, or revoke authority to hold public funds, if a public depositary fails to: provide, or allow verification of, required information; or comply with relevant laws and rules or policies of the Commission.

In addition to the existing requirement that the DFI certify reports from public depositaries, the DFI must provide information or data as may be required by the Commission. Any information or data provided to the Commission by a financial institution or a federal or state regulatory agency, must be maintained in the same confidential manner and have the same protections as examination reports received by the Commission from the DFI.

The Commission is required to maintain a single depositary pool and treat public depositaries uniformly without regard to differences in their charters.

Public Depositary Requirements. The Commission may establish the required amount of eligible securities that a public depositary must pledge and segregate.

Public depositaries must provide the exact status of its capitalization, collateral, and liquidity, in addition to the existing requirement of providing information about its net worth. Public depositaries are required to provide the Commission with the uninsured amount of public funds on deposit in each report. They also must notify the Commission of an event which causes its net worth to be reduced in an amount greater than 10 percent, from within five working days to within 48 hours, or by the close of business of the following business day.

A public depositary's liability is not altered by a merger, takeover, or acquisition, except if liability is assumed by agreement or law by the successor entity or resulting financial institution.

Maximum Liability. The "maximum liability" of a public depositary means, with reference to a public depositary's liability for loss per occurrence by another public depositary, on any given date a sum equal to 10 percent of:

- all uninsured public deposits held by a public depositary that has not incurred a loss by the most recent Commission report date; or

- the average of the balances of uninsured public deposits in the last four reports.

An additional way of defining "maximum liability" is also included to mean a sum or measure that the Commission may set by resolution according to criteria established by rule. The State Treasurer may also do so in exigent circumstances, but the sum or measure must be reviewed and ratified by the Commission within 90 days. If a public depositary is 100 percent collateralized by eligible collateral, the "maximum liability" of a public depositary that has not incurred a loss may not exceed the 10 percent sum mentioned above. The definition of "maximum liability" does not limit the authority of the Commission to adjust the collateral requirements of public depositaries.

Reporting. The State Treasurer is required to report to the Legislature on actions taken by the Commission and the State Treasurer regarding public deposit protection by December 1 of each year.

Votes on Final Passage:

House	97	0
Senate	49	0

Effective: March 6, 2009

SHB 2071

PARTIAL VETO

C 85 L 09

Concerning education for parents of needy families.

By House Committee on Early Learning & Children's Services (originally sponsored by Representatives Green, Kagi, Miloscia, Pettigrew, Nelson, Haler, Priest, Goodman, Conway, Ormsby, Santos and Kenney).

House Committee on Early Learning & Children's Services

House Committee on Health & Human Services Appropriations

Senate Committee on Human Services & Corrections

Background: The Department of Social and Health Services administers the Temporary Assistance for Needy Families (TANF) federal block grant. The use of TANF funds is limited to the following purposes:

- provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;
- end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;
- prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and
- encourage the formation and maintenance of two-parent families.

Washington's TANF program is called WorkFirst. Under WorkFirst, recipients receive a comprehensive evaluation prior to referral to job search activities. The evaluation is facilitated by a WorkFirst specialist and covers a broad range of topics. Information obtained through the evaluation process is used to develop an individual responsibility plan (IRP) for the recipient. The IRP includes an employment goal, a plan for obtaining employment as quickly as possible, and a description of services to remove barriers to employment and to enable the recipient to obtain and keep employment.

As a condition of receiving federal funds for the WorkFirst program, states must meet work participation rates for those families receiving the federal funds. Work participation rates are determined by dividing the number of families receiving WorkFirst grants that are engaged in work activities by the total number of families receiving the grants. Unless a good cause exemption applies, recipients of public assistance must be engaged in work or work activities as a condition of continued eligibility.

The federal Deficit Reduction Act of 2005 modified how work participation rates are calculated and the type of activities states may count in determining participation rates. In order to meet federal work participation requirements, WorkFirst parents must participate 30 hours per week in countable activities. The first 20 of these hours must be in a core activity, such as job search, subsidized or unsubsidized employment, or vocational education. Once this 20-hour core activity requirement is met, the remaining 10 hours may be in a core or non-core activity.

WorkFirst training and education programs are available at all 34 state community and technical college campuses as well as through community-based organizations and some private colleges and include the following:

- *Customized Job Skills Training:* short-term (8 - 22 weeks) employer-driven training to quickly develop skills for work.
- *High Wage/High Demand, Integrated Basic Education and Skills Training (I-BEST), and Vocational Education:* one-year certificate and degree programs targeting high-wage jobs in high-demand occupations. WorkFirst tuition assistance is available to help cover tuition, books, and fees.
- *Work-Based Learning:* externships, clinical experiences, co-operative learning, and Work Study opportunities to provide authentic work experiences in conjunction with formal training designed to enhance employability and help parents secure higher wages at job entry.
- Wage Progression: job skills and education to increase skills and earning potential, including part-time vocational education courses.
- Other basic skills and employment-related training programs to address specific training gaps, including limited English and basic skill deficiencies. Training

may focus on building job skills through improved English or literacy levels.

WorkFirst Reporting. The DSHS provides, in response to a budget proviso, a quarterly report on selected performance measures of WorkFirst the program. The report includes information about WorkFirst recipients at 12, 24, and 36 months after leaving the program and measures the following:

- the median percentage increase in earnings and hourly wages;
- the percentage with earnings above 100 and 200 percent of federal poverty guidelines;
- a comparison group of similar workers who did not participate in WorkFirst; and
- the percentage of WorkFirst recipients returning to the program .

Other State Programs Designed to Assist Low-Income Families. In addition to WorkFirst, there are a number of other state programs designed to support parents who are working to improve the financial well-being of their families, including:

- *Working Connections Child Care:* child care subsidies for households with income up to 200 percent of the federal poverty level (FPL).
- *Basic Food*: monthly food benefits for households with income up to 200 percent FPL.
- *Transitional Medical Assistance:* post-WorkFirst extensions of family medical benefits for up to 12 months for families who meet certain criteria. Children in low-income families also may qualify for coverage under other medical programs.
- *Transitional Food Assistance:* post-WorkFirst food assistance for up to six months.
- *Career Services:* up to $650 over six months and job retention/wage progression services for parents leaving WorkFirst and low-income parents who are working 30 or more hours a week.

Summary: The WorkFirst IRP requirements are revised and must include:

- an employment goal and a plan to maximize the recipient's success in meeting the goal;
- consideration of available WorkFirst education and training programs from which the recipient could benefit;
- the obligation of the recipient to participate by complying with the plan;
- a plan for moving the recipient into full-time WorkFirst activities as quickly as possible; and
- a description of services available to the recipient during and after WorkFirst to enable the recipient to advance in the workplace and increase wage earning potential.

The quarterly WorkFirst report, relating to wage progression, job retention, and returns to the WorkFirst program, is established in statute.

Votes on Final Passage:

House	96	0
Senate	45	0

Effective: July 26, 2009

Partial Veto Summary: The Governor vetoed section one, relating to legislative intent.

VETO MESSAGE ON SHB 2071

April 13, 2009

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

Ladies and Gentlemen:

I am returning herewith, without my approval as to Section 1, Substitute House Bill 2071 entitled:

"AN ACT Relating to increasing the earning potential of parents of needy families."

I am vetoing the intent section, Section 1 of the bill, because it is broader than the substantive language in the bill. The substantive language of the bill was changed during the legislative process and the language of Section 1 reflects the content of the original bill, rather than the substitute. The intent section could cause unintended consequences and might result in increased liability for the state. Vetoing the intent section does not impede implementation of the bill.

For these reasons, I have vetoed Section 1 of Substitute House Bill 2071.

With the exception of Section 1, Substitute House Bill 2071 is approved.

Respectfully submitted,

Christine O. Gregoire
Governor

ESHB 2072

PARTIAL VETO
C 515 L 09

Concerning transportation for persons with special transportation needs.

By House Committee on Transportation (originally sponsored by Representatives Wallace, Clibborn and Wood).

House Committee on Transportation
Senate Committee on Transportation
Senate Committee on Ways & Means

Background: Special Needs Transportation, Generally. There are approximately 623 organizations and agencies in Washington that provide some level of service to persons with special transportation needs. "Persons with special transportation needs" means those persons, including their personal attendants, who, because of physical or mental disability, income status, or age, are unable to transport themselves or to purchase transportation.

While the 2000 federal census data does not provide estimates of residents who are defined as persons with special transportation needs under state law, the data indicates that, of the 6.4 million residents in Washington, 12 percent are older adults (defined as age 65 or older) and 42 percent of those older adults have a disability. The combined population in King, Snohomish, Pierce, and Kitsap counties is approximately 3.4 million. Of that population, approximately one-third to one-half fall within the special needs transportation population: seniors, 12 percent; children, 24 percent; low-income, 9 percent; and persons with disabilities, 22 percent.

Special needs transportation services are provided by many different providers, including: public transportation systems; state-funded human service programs, most notably the Department of Social and Health Services (DSHS); civic and community-based groups; and private for-profit and non-profit entities. Within the state, there are 28 public transportation systems, of which seven serve urbanized areas, eight serve small cities, and 13 serve rural areas.

Agency Council on Coordinated Transportation. Established in 1998 and chaired by the Secretary of Transportation, or her designee, the Agency Council on Coordinated Transportation (ACCT) is a council of state agencies, transportation providers, consumer advocates, and legislators, which was created to facilitate a statewide approach to coordinated special needs transportation and to develop community-based coordinated transportation systems.

Since enactment, the ACCT has been reauthorized several times. In 2007 the Legislature reauthorized the ACCT until June 30, 2010, and modified and streamlined the ACCT's duties. In 2007 the Legislature also directed the Joint Transportation Committee to study legal and programmatic changes and best practices necessary for providing effective coordination of special needs transportation. That study, finalized in January 2009, resulted in a number of recommendations, including the need to strengthen the ACCT's role as a statewide oversight authority and to establish the necessary infrastructure that responds to local circumstances and needs.

Local Special Needs Coordinating Entities. Approximately 20 local coordination councils are active, to varying degrees, within the state. Many of these local councils were originally established with financial assistance provided through the ACCT. Some local councils meet regularly and have full-time staff to advance local coordination initiatives, but most do not. Generally speaking, many of these local councils are involved with local transportation planning efforts required under federal law. Funds are no longer available for the councils through the ACCT, and there is no official connection between the local councils and any state transportation program or agency.

Federal Transportation Coordination Requirements. In 2005 the federal Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) was enacted, which conditions receipt of certain federally funded public transportation grant projects on the establishment of locally developed, coordinated public transportation plans. The SAFETEA-LU guidance issued by the Federal Transportation Administration (FTA) indicates that each plan should identify special transportation needs, prioritize services, and establish comprehensive strategies for meeting special transportation needs. The new federal requirement is addressed in the planning process of regional transportation planning organizations or metropolitan planning organizations.

Federal Special Needs Transportation Programs and Agencies, Generally. In addition to state and local programs, there are approximately 62 federal programs in eight federal agencies that fund a variety of transportation services to persons who are transportation disadvantaged. Most of these programs have their own purposes and goals, target population, eligibility criteria, rules and regulations, administrative structure, funding process, billing rates, and accounting and reporting requirements. In addition, federal and state agencies maintain separate client databases, and, due to real or perceived federal confidentiality requirements, agencies are not typically willing to share client eligibility information in order to determine the extent to which there might be overlap of services provided or efficiencies that could be achieved.

With respect to seniors and persons with disabilities, the use of public transportation is supported and encouraged by two federal requirements: the discounted fare requirement and the 1990 Americans with Disabilities Act (ADA). Pursuant to the federal discounted fare requirement, public transit operators are required to provide a discount to seniors (defined as age 65 or older) and to persons with disabilities of up to 50 percent of the regular fixed route fare during off-peak hours. Generally speaking, the ADA guarantees equal access to services and programs for persons with disabilities. As a result, most public buses are equipped with lifts or ramps to ensure that public transit is accessible to persons with disabilities.

In addition, the ADA also requires transit agencies to provide complementary paratransit services to individuals who cannot take the fixed route bus due to a functional disability. Paratransit service is a specialized, typically prescheduled transportation service provided by taxis, cars, and accessible vans or buses for persons with disabilities. However, gaps in service exist because many public transit agencies' boundaries are less than countywide.

Other paratransit, or "demand response," services are often provided in rural or other non-urbanized areas with limited or no public transit. Such services may be operated by a city, community-based non-profit agency, or a senior center. Demand response services are not required to comply with the ADA paratransit service standards if comparable fixed route services are not available.

Medicaid and Transportation. Medicaid is a federal entitlement program that funds basic health care services for the elderly, persons with low-income, children, and

individuals with disabilities. The federal government mandates that states provide non-emergency medical trips for Medicaid clients that have no other way to access medical facilities and services. In 2005 Washington spent more than $5 billion for its Medicaid program. The DSHS is the largest provider of social service transportation in the state and provides a variety of services to approximately 2.1 million clients.

Washington, like many other states, administers its own Medicaid program and establishes eligibility standards, payment rates, and benefit packages. Since 1989 Washington has managed its Medicaid transportation through a brokerage system. Services are operated statewide under contracts with eight brokers for the state's 13 non-emergency Medicaid transportation service regions. The transportation brokers typically provide the following primary services: (1) operation of a toll-free telephone service for scheduling interpreter services and non-emergency transportation to medical appointments; (2) evaluation and verification of client eligibility, provided service coverage, and appropriate level of transportation; and (3) contracting for, arranging, and monitoring transportation and interpreter services.

In December 2008 the DSHS applied to the federal Centers for Medicare and Medicaid Services to change its federal-state Medicaid match system from an administrative match system to a medical match system. Under the administrative match system, the federal government provides a 50 percent match rate, and the use of the funds is somewhat flexible. Under the medical match system, the federal match could be increased to as much as 70 percent; however, it appears that the use of these funds may be less flexible and subject to stricter audit and accounting requirements.

Funding for Special Needs Transportation Services. The largest funders of special needs transportation include: public transit; community transportation providers; student transportation for homeless youth or for those students requiring specialized education programs; and state-funded human service programs.

The 2007-09 state transportation budget appropriated $25 million for special needs transportation, of which $5.5 million was provided solely for grants to nonprofit providers and $19.5 million was provided solely for grants to transit agencies. An additional $16.9 million was appropriated to the Rural Mobility Grant Program, which supports transit systems serving small cities and rural areas and also providers of service in areas that are either not served or are underserved by transit agencies.

The Washington State Department of Transportation (WSDOT) administers several FTA grant programs. For the 2007-09 biennium, the WSDOT matched state and local funds with FTA funds and administered more than $21.5 million in federal public transportation grants.

Funding and Program Eligibility and Cost-Sharing Restrictions. The two largest funders of special needs transportation in the state, Medicaid and public transportation agencies, are each required by federal law to provide transportation services to Medicaid eligible persons and persons with disabilities, respectively. However, eligibility standards for these programs differ for persons entitled to receive the service as well as for the type of service they can receive. Typically, programs sponsoring special needs transportation programs are required to restrict the use of grant funds for a designated population. As a result, this prevents different programs from sharing resources and costs and from jointly funding a coordinated system of transportation services.

Student Transportation. In Washington over $300 million per year is spent on transporting students to and from school. In general, school districts receive funding to transport students between home and school if the students live more than one mile from school. If a student is disabled, funding is provided without any restrictions on distance. Additional funding is provided if young students (kindergarten through fifth grade) live within a mile but do not have a safe route to school.

In addition, the federal McKinney-Vento Homeless Education Assistance Act (McKinney-Vento Act) provides that state educational agencies must ensure that each homeless child and youth has equal access to the same public education as other children; furthermore, a homeless student may not be separated from the mainstream school environment. The McKinney-Vento Act ensures that homeless children are transported to and from the child's choice of school, in any school district, regardless of the school district in which the child resides. Federal funding is not specifically provided to states or local school districts for purposes of complying with the McKinney-Vento Act.

Summary: The role of the Agency Council on Coordinated Transportation (ACCT) is strengthened, and the ACCT is established as a statewide authority. Membership on the ACCT is expanded to include: four new voting members, increasing total membership from 14 to 18. The new members include a representative of regional transportation planning organizations; transportation brokers who provide nonemergency medically necessary trips to persons with special transportation needs; the state Department of Veterans Affairs; and the Washington State Association of Counties. The ACCT is required to vote annually to elect one of its voting members to serve as chair, and the position of chair must rotate among the voting membership at least every two years. The ACCT is given several new duties and is reauthorized until June 30, 2011.

The ACCT's new duties include:

- proposing statewide policies and objectives to the Legislature;
- establishing performance measures and objectives for evaluating the ACCT's progress in accomplishing its objectives;

- developing common service definitions, and uniform performance and cost-reporting systems;
- designating local coordinating coalitions in two pilot project regions; and
- progressing toward the goal of establishing a single clearinghouse for driver background checks in cooperation with the Department of Social and Health Services (DSHS) and the Washington State Patrol.

Local Coordinating Coalitions and Pilot Projects. The ACCT is directed to appoint a local coordinated coalition (LCC) in two Medicaid brokerage regions, as defined by the DSHS. Membership on the LCCs includes several agency representatives as well as members of any existing local coordinating coalition. The purpose of an LCC is to advance local efforts to coordinate and maximize efficiencies in special needs transportation programs and services. An LCC serves in an advisory capacity to the ACCT, is staffed by the regional transportation planning organization (RTPO) serving the region, and has several duties. An LCC's duties include:

- identifying local services and transportation needs, including connectivity gaps and other barriers to reliable and efficient transportation within and across service boundaries;
- considering strategies to address local service needs and connectivity gaps;
- collaborating with local service providers and operators to identify and propose common connectivity standards, including, at a minimum, standards that address signage, transit information, schedule coordination, and services provided to address access to and from a transit stop or facility; and
- implementing pilot projects to test and demonstrate cost sharing and cost-saving opportunities.

Special Needs Transportation and Special Needs Funding. Transit agencies are directed to work collaboratively with the LCCs for the purpose of advancing the coordination of special needs transportation services. Improved accessibility for persons with special transportation needs is added as a criteria for eligible Transportation Benefit District improvement projects. Applicants for paratransit/special needs grants must include an explanation of how the funding will advance coordination of services. In making final paratransit/special needs grants award decisions, the WSDOT must seek input from the ACCT. In awarding other special needs transportation grants, the WSDOT must give priority to projects that result in improved coordination or increased efficiencies.

Student Transportation Expenditures. By December 31, 2010, the Office of Superintendent of Public Instruction (OSPI) is required to develop a uniform process designed to track additional expenditures related to transporting homeless students, including expenditures required under the federal McKinney-Vento Act. The OSPI must provide information annually to the ACCT on total expenditures related to the transportation of homeless students.

Driver Background Checks. In cooperation with the DSHS and the Washington State Patrol, the ACCT is directed to make progress toward the goal of establishing a single clearinghouse for driver background checks within the most cost-effective agency.

Work Groups. A work group, appointed by the ACCT by August 15, 2009, is created for the purpose of engaging relevant federal agencies and representatives in an analysis of the various federal definitions and reporting requirements across federal special needs transportation programs. Membership on the work group includes: representatives of the departments of Transportation, Veterans Affairs, Health, and Social and Health Services; medicaid nonemergency medical transportation brokers; public transit agencies; regional and metropolitan planning organizations; the ACCT; the LCCs; Indian tribes; and the OSPI. The work group members must elect one or more of its members to serve as chair or co-chairs.

A second work group, appointed by the ACCT by August 15, 2009, is created to consider implementation of certain recommendations resulting from the 2009 study of special needs transportation conducted by the Joint Transportation Committee (JTC). The work group, chaired by a member of the ACCT, is specifically directed to consider, in consultation with relevant federal agencies, recommendations related to the procurement and designation of transportation brokers, referred to as community access managers. Membership on the work group includes representatives of the ACCT, regional and metropolitan planning organizations, transit agencies, medicaid nonemergency medical transportation brokers, and the DSHS.

Required Reports. Periodic reports must be submitted to the JTC describing the progress of the work groups, driver background check clearinghouse pilot projects, and certain new duties assigned to the ACCT. Reports are due by December 1, 2009, June 1, 2010, and December 1, 2010.

Votes on Final Passage:

House	95	0	
Senate	46	0	(Senate amended)
House	95	0	(House concurred)

Effective: July 26, 2009

Partial Veto Summary: The Governor vetoed the following new duties required of the Agency Council on Coordinated Transportation (ACCT):

- proposing statewide policies and objectives to the Legislature;
- establishing performance measures and objectives for evaluating the ACCT's progress in accomplishing its objectives;

- developing common service definitions, and uniform performance and cost-reporting systems; and
- progressing toward the goal of establishing a single clearinghouse for driver background checks in cooperation with the Department of Social and Health Services (DSHS) and the Washington State Patrol.

The Governor vetoed the creation of a work group appointed by the ACCT which would have made recommendations relating to the procurement and designation of transportation brokers, referred to as community access managers.

The Governor vetoed the section containing a null and void clause, which would have made the bill null and void if not referenced in the omnibus transportation appropriations act.

VETO MESSAGE ON ESHB 2072

May 15, 2009

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

Ladies and Gentlemen:

I have approved, except for Sections 2, 5, 6, 7 and 19, Engrossed Substitute House Bill 2072 entitled:

"AN ACT Relating to advancing effective transportation for persons with special transportation needs."

Section 19 of the bill makes the provisions of the legislation null and void if sufficient funding to implement the legislation is not included in the 2009-11 Transportation Budget. The 2009-11 Transportation Budget does include sufficient funding to implement portions of the legislation, but not the entire bill. I have decided to veto Sections 2, 5, 6 and 7 of the legislation that do not have sufficient funding for implementation, as well as the null and void clause in Section 19. As a result, we will be able to move forward with providing special needs transportation services in a more coordinated and efficient manner, without imposing unfunded mandates on state agencies.

For these reasons, I have vetoed Sections 2, 5, 6, 7 and 19 of Engrossed Substitute House Bill 2072.

With the exception of Sections 2, 5, 6, 7 and 19, Engrossed Substitute House Bill 2072 is approved.

Respectfully submitted,

Christine O. Gregoire
Governor

ESHB 2075

C 535 L 09

Concerning the excise taxation of certain products and services provided or furnished electronically.

By House Committee on Finance (originally sponsored by Representative Hunter).

House Committee on Finance
Senate Committee on Ways & Means

Background: Retail sales and use taxes are imposed by the state, most cities, and all counties. Retail sales taxes are imposed on retail sales of most articles of tangible personal property (TPP) and some services. If retail sales taxes were not collected when the property or services were acquired by the user, then use taxes are applied to the value of most TPP and some services when used in this state. Use tax rates are the same as retail sales tax rates. Downloaded prewritten computer software is included within the definition of TPP and is therefore subject to sales or use tax, but downloaded products such as digital music, movies, and books are not specifically included within the definition of TPP. The Department of Revenue (DOR) treats downloaded music, videos, and books as TPP, subjecting these products to retail sales and use taxes. However, if these same products are streamed to the customer, then sales and use taxes do not apply because the customer is not considered to have taken possession of the product.

In 2007 legislation directed the DOR to "conduct a study of the taxation of electronically delivered products" and to prepare a final report for the Legislature by September 1, 2008. The legislation required the DOR to conduct the study in consultation with a committee consisting of four legislative members, as well as additional members representing the industry and government. The committee consisted of 16 members in total. In December 2008 the DOR completed its study. The final report included a discussion of a number of issues related to the taxation of digital products, including compliance with the streamlined sales and use tax agreement (SSUTA), sourcing, bundled digital products, and methods of obtaining digital products. The report's conclusion stated that legislation implementing tax policy on digital products is necessary in 2009 to: (1) protect the sales and use tax base; (2) establish certainty in the tax code; (3) maintain conformity with the SSUTA; and (4) encourage economic development. Because of the differing views on certain fundamental issues surrounding the taxation of digital products, the committee was not able to reach consensus on a specific tax policy proposal. However, the committee agreed that legislation adopting a broad, general imposition approach for digital products would be possible only if the legislation: (1) containes meaningful and easily administered broad-based exemptions for business inputs; (2) provided sales and use tax amnesty to taxpayers who failed to collect tax on digital products for prior periods; (3) maintained conformity with the SSUTA; and (4) protected and promoted the location of server farms and data centers in Washington.

On September 20, 2007, the SSUTA was amended to define three specified digital goods (digital audio-visual, digital audio, and digital books) as not being TPP. To remain compliant with the SSUTA, Washington has to enact a separate provision by January 1, 2010, to continue imposing sales and use tax on these three products. As of January 1, 2012, a separate tax imposition provision will be required to impose sales and use tax on all other electronically delivered products.

"Substantial nexus" is the connection required to exist between a state and a potential taxpayer, such that the state

has the constitutional right to impose tax obligations on the taxpayer.

Summary: Definitions. Digital Good: A digital good is a product that includes sounds, images, data, or facts, which is transferred electronically. Digital good includes electronically delivered music, books, and movies.

Digital Automated Service (DAS): A DAS is an electronically delivered service that uses one or more software applications. Examples of a DAS include credit reports, online games, and searchable databases. A DAS does not include: the loaning or transferring of money or financial instruments, dispensing cash or other physical items from a machine, payment processing services, telecommunications services, providing Internet access, providing access to prewritten computer software, providing online educational programs including those by private accredited schools, online travel agent services, online auctions, and online classified advertising services.

Digital Code: A digital code is an enabling or activation code that gives a purchaser access to a digital good or a DAS. As an example, a soft drink company, as part of a promotion, may purchase digital codes from a music distributor. The soft drink company then gives away the codes to customers who purchase its soft drink products. Those customers use the code to download songs from the music distributor's website.

Digital Product: A digital product is a digital good or a DAS.

End User: An end user is a person who acquires a digital product or digital code without the right to broadcast, rebroadcast, license, or otherwise distribute the product or code.

Imposition of Sales and Use Taxes. Sales and use taxes are separately imposed on the sale of digital goods to end users.

Sales and use taxes are imposed on the sale of DAS to end users.

Sales and use taxes are imposed on the sale of digital codes to end users. A digital code is taxed the same way as the underlying digital good or DAS to which the code gives the purchaser access.

Sales and use taxes are extended to prewritten computer software accessed remotely.

No distinction is made for sales and use tax purposes between digital codes, goods, or automated services that are downloaded, streamed, or accessed remotely.

Exemptions. Digital products purchased for resale, and digital products incorporated as an ingredient or component of another product for resale, are exempt from sales and use tax.

Digital products provided free of charge are also exempt.

Sales of radio and television broadcast programming by a radio or television broadcaster are exempted from sales and use tax. This exemption includes broadcasts on a pay-per-program basis if the sale of the programming is subject to a franchise fee.

An exemption is provided for standard digital information purchased solely for business purposes. "Standard digital information" means a digital good consisting primarily of data, facts, or information that is not generated for a specific client or customer.

A partial exemption is provided for businesses that use digital products or prewritten computer software concurrently within and outside Washington. Tax is apportioned based on the number of users within Washington as a percentage of all users of the digital product or software.

A sales and use tax exemption is provided for newspapers transferred electronically as long as the electronic newspaper shares content and the same name as the printed newspaper.

Business and Occupation Taxes. The standard business and occupation tax rates for wholesale and retail sales (0.484 percent and 0.471 percent) are explicitly imposed on wholesale and retail sales of digital goods, digital automated services, digital codes, and electronically delivered software.

Server Farms and Substantial Nexus. The DOR is prohibited from considering a business's ownership or rights in digital goods or codes residing on a server located in Washington in determining whether the business has substantial nexus with the state.

Amnesty. A person may not be held liable for the failure to collect or pay state and local sales and use taxes accrued before the effective date of this act on the sale or use of digital goods.

Technical Changes. A number of conforming and technical amendments are made.

Votes on Final Passage:

House	52	46
Senate	28	20

Effective: July 26, 2009

E2SHB 2078

C 447 L 09

Concerning persons with developmental disabilities who are in correctional facilities or jails.

By House Committee on Health & Human Services Appropriations (originally sponsored by Representatives Roberts, O'Brien, Walsh, Jacks, Appleton, Goodman, Dickerson, Green, Kagi, Chase, Wood, Kenney and Haler).

House Committee on Human Services
House Committee on Health & Human Services Appropriations
Senate Committee on Human Services & Corrections

Background: In 2006 a 41-year-old man with developmental disabilities was booked into a county jail pursuant to a 911 call for misdemeanor assault. The person who called 911 was the man's mother, and the alleged assault was treated as a domestic violence matter. Thus, the responding officers were required to take the person considered to be the aggressor to jail. The man had the physical abilities of an adult, but had not developed mentally beyond a child-like stage. He was in jail for approximately two weeks and released. Several hours after his release, he was returned to jail because his mother again called 911. He was released seven days later, having spent a total of 22 days in jail in solitary confinement. While in jail, the man refused food and water, and his physical and mental health deteriorated significantly.

Eligibility for Services. A person who has been assessed as being eligible for services provided by the Division of Developmental Disabilities is eligible for both state assistance and federal medical assistance. Medical assistance benefits allow for medical care as provided under Title XIX of the federal Social Security Act. If an eligible person is booked into a correctional facility, he or she does not receive state-funded services while in custody, and the person is no longer eligible for medical assistance.

In 2008 a work group convened to examine the feasibility of expediting the eligibility reinstatement process for individuals who were receiving medical assistance at the time of incarceration. In January 2009 the Department of Social and Health Services released a report to the Legislature in which it proposed a five-phase model for promptly reinstating the eligibility for any person who was receiving medical assistance at the time of incarceration.

Training for Law Enforcement Personnel. In 2003 the Legislature required the Criminal Justice Training Commission to develop a training session on law enforcement interaction with persons who suffer from mental illness and who have developmental disabilities. At the minimum, the training was required to address the following:

- the cause and nature of mental illnesses and developmental disabilities;
- how to identify indicators of mental illness and developmental disabilities;
- how to respond appropriately in common situations;
- conflict resolution and de-escalation techniques for potentially dangerous situations involving persons with mental illness or developmental disabilities;
- appropriate language use;
- alternatives to lethal force; and
- community and state resources available to persons who have a mental illness or developmental disabilities.

The 2003 statute did not include a requirement for training to personnel for city and county jail facilities.

Summary: The Developmental Disabilities Council and the Washington Association of Sheriffs and Police Chiefs are required to convene a work group in consultation with:

- the Department of Corrections;
- the Department of Social and Health Services (DSHS);
- Disability Rights Washington;
- consumer advocates;
- Washington Traumatic Brain Injury Strategic Partnership; and
- other interested organizations.

The work group is required to develop recommendations and report to the Legislature by December 1, 2009, regarding:

- expeditiously reviewing and determining eligibility for developmental disabilities services for an offender with developmental disabilities prior to his or her release;
- the appropriate role of the DSHS in providing alternatives to confinement and consultation regarding technical assistance for reasonable accommodations for offenders in correctional facilities who have a developmental disability;
- increasing the authority of the courts to order alternatives to confinement prior to trial or following conviction where the sentence is 12 months or less;
- establishing a diversion option under the Sentencing Reform Act for persons with developmental disabilities;
- the feasibility of developing and adopting law enforcement training for responding to persons with developmental disabilities analogous to crisis intervention training for response to persons with mental illness;
- the feasibility of adopting standardized statewide screening and application practices and forms to facilitate applications for medical assistance services by the Division of Developmental Disabilities;
- the need for and feasibility of developing a screening tool and training for corrections staff for identification of persons with developmental disabilities; and
- the feasibility of developing a screening tool for traumatic brain injuries and information regarding best practices for accommodations of persons with traumatic brain injuries.

By July 1, 2010, the workgroup must develop a simple screening tool that may be used by jails as part of a jail's intake and/or classification process which will identify offenders with the most common types of developmental disabilities. In addition, the workgroup must develop:

- a model policy for the use of the screening tool;
- a cost-effective means to provide concise training to jail and staff on the use of the tool; and

- information on best practices and training regarding appropriate accommodations for persons with developmental disabilities during confinement in jail.

This act expires December 1, 2010.

Votes on Final Passage:

House	96	0	
Senate	47	0	(Senate amended)
House	95	0	(House concurred)

Effective: July 26, 2009

SHB 2079
C 343 L 09

Concerning the office of financial management's access to health professional licensing information.

By House Committee on Health Care & Wellness (originally sponsored by Representatives Cody, Ericksen and Morrell).

House Committee on Health Care & Wellness
House Committee on Health & Human Services Appropriations
Senate Committee on Health & Long-Term Care

Background: In 2007 legislation was enacted to implement the recommendations of the Blue Ribbon Commission on Health Care Costs and Access. As The legislation requires the Office of Financial Management (OFM) to coordinate a state health planning process and develop a statewide health resources strategy, which must include:

- a health system assessment and objectives component;
- a health care facilities and services plan that assesses the demand for health care facilities and services;
- a health care data resource plan;
- an assessment of emerging trends in health care delivery and technology; and
- a rural health resource plan.

The initial strategy must be provided to the Governor and the Legislature by January 1, 2010, and must be updated every two years thereafter. The Department of Health (DOH) must use the statewide health resources strategy to direct its certificate of need activities.

To support its planning activities, the OFM is required to maintain access to de-identified data collected and stored by any public or private organization, including state-purchased health care program data, hospital discharge data, private efforts to collect utilization and claims-related data, and any database established pursuant to the recommendations of the Health Information Infrastructure Advisory Board. The OFM may store limited data sets as necessary to support its activities. Unless specifically authorized, the OFM may not collect data directly from the records of health care providers and facilities, but must make use of databases that have already collected the information.

Summary: The Office of Financial Management (OFM) must have access to:

- information submitted as part of the health professional licensing and renewal process, excluding Social Security number and background check information; and
- information submitted as part of the medical or health facility licensing process.

Access to, and use of, the data must comply with state and federal confidentiality laws and ethical guidelines. The OFM must maintain the data with the same degree of confidentiality as the Department of Health (DOH). When providing information to the OFM, the DOH must replace any Social Security number with an alternative identifier capable of linking all licensing records of an individual.

The requirement that the OFM maintain access to de-identified data collected and stored by any public or private organization is eliminated. The authority for the OFM to store limited data sets and the prohibition against the OFM collecting data directly from the records of health care providers and facilities are also eliminated.

Votes on Final Passage:

House	96	0	
Senate	45	0	(Senate amended)
House	95	0	(House concurred)

Effective: July 26, 2009

SHB 2095
C 101 L 09

Clarifying the permitting, training, and licensing process for driver training schools.

By House Committee on Transportation (originally sponsored by Representatives Orwall, Finn, Upthegrove, Simpson, Rodne and Quall).

House Committee on Transportation
Senate Committee on Transportation

Background: In 2006 the licensing of driver training schools and instructors was placed under the authority of the Uniform Regulation of Business and Professions Act, giving the Department of Licensing (DOL) the same authority over those entities and individuals that it has over other licensees.

In addition, any instructor, owner, or other person affiliated with a driver training school who has contact with students is required to undergo a background check through the Washington State Patrol and the Federal Bureau of Investigation. An applicant for a driver instructor's license is also ineligible to receive such a license if the applicant had an alcohol-related traffic violation or incident within the preceding seven years.

Summary: The membership of the driver instructors' advisory committee is increased from five members to seven, and two of the members are required to reside east of the Cascades. Members' entitlement to be reimbursed for travel expenses related to the committee is eliminated.

Requirements regarding liability insurance are clarified to extend only to instruction vehicles and building premises of a driver training school.

Individuals who have a drug or alcohol-related traffic infraction in the preceding three years, or two or more such incidents at any time, are ineligible for a driver instructor's license, as are those with a driver's license suspension, cancellation, revocation, or denial within the preceding two years, or two or more such incidents in the preceding five years. The valid period for a driver instructor's license, if it is received, is extended to two years, and the requirement for a requalification exam every five years is eliminated.

The requirement regarding background checks is narrowed to include only those individuals who have regularly scheduled, unsupervised contact with students.

The DOL is granted the authority to waive or extend the 35-mile radius for the establishment of branch offices or classrooms when a driver training school is located in counties below the median population density.

In addition, a variety of technical changes and clarifications are made in such areas as record retention, school locations, instructor examinations, and license renewal.

Votes on Final Passage:

House	96	0
Senate	44	0

Effective: July 26, 2009

ESHB 2105

C 258 L 09

Concerning diagnostic imaging services.

By House Committee on Health Care & Wellness (originally sponsored by Representatives Cody and Morrell).

House Committee on Health Care & Wellness
House Committee on Health & Human Services Appropriations
Senate Committee on Health & Long-Term Care

Background: Diagnostic imaging allows doctors to "see" inside the body by obtaining pictures of bones, organs, muscles, tendons, nerves, and cartilage. Diagnostic imaging includes Magnetic Resonance Imaging, Computed Tomography, and Positron Emission Tomography, as well as ultrasound, nuclear medicine, picture archival communication systems, digital mammography, and molecular imaging. These technologies enable physicians to diagnose diseases at earlier stages while avoiding more invasive and costly diagnostic procedures.

While a significant technological advance, diagnostic imaging is also the fastest-growing medical expenditure in the United States, with an annual 9 percent growth rate – more than twice that of general medical expenditures (4.1 percent) according to the American College of Radiology Web site (May 2004). There are several strategies to help control the increasing costs of diagnostic imaging, including:

- *Utilization Management*: Some health insurers are using radiology benefit management firms to attempt to control diagnostic imaging costs.
- *Physician Self-Referral Restrictions*: Federal Stark II regulations generally prohibit physicians from referring Medicare patients to entities with which the physician or immediate family member has a financial interest. Some states have similar statutes that also regulate referral of private-pay patients.
- *Evidence-Based Practice Guidelines*: One strategy is to develop and disseminate nationally recognized, evidence-based practice guidelines and to educate referring physicians about the proper use of diagnostic imaging. The American College of Radiology has developed appropriateness criteria for a number of common presentations and developed recommendations for tests that have been found to be particularly effective, and tests that are not as effective.
- *Patient Education*: Patient education campaigns, similar to those addressing inappropriate antibiotic use, may be effective in discouraging patients from seeking unnecessary tests.
- *Electronic Medical Records System*: Studies have found that at least 10 percent of diagnostic tests are retests because prior results were unavailable to the treating physician at the point of service. Retesting could be reduced with electronic records and better communication and process management among the relevant parties.

Summary: The Health Care Authority will convene a work group to analyze and identify evidence-based best practice guidelines or protocols applicable to advanced diagnostic imaging services and any decision-support tools available to implement the guidelines or protocols. The work group will identify evidence-based guidelines or protocols by July 1, 2009. State-purchased health care programs will use them for those health care services purchased directly by the state beginning September 1, 2009.

Votes on Final Passage:

House	83	13
Senate	44	2

Effective: April 28, 2009

2SHB 2106

PARTIAL VETO

C 520 L 09

Improving child welfare outcomes through the phased implementation of strategic and proven reforms.

By House Committee on Ways & Means (originally sponsored by Representatives Kagi, Roberts, Kenney and Morrell).

House Committee on Early Learning & Children's Services
House Committee on Ways & Means
Senate Committee on Human Services & Corrections
Senate Committee on Ways & Means

Background: Report from the Washington State Institute for Public Policy. In 2007 the Legislature directed the Washington State Institute for Public Policy (Institute) to study evidence-based, cost-effective programs and policies to reduce the likelihood of children entering and remaining in the child welfare system, including prevention and intervention programs. In its analysis, the Institute focused on three key questions:

- Is there credible evidence that specific programs "work" to improve these outcomes?
- If so, do benefits outweigh program costs?
- What would be the total net gain to Washington if these evidence-based programs were implemented more widely across the state?

The Institute conducted a systematic review of 74 rigorous comparison group evaluations of programs and policies to identify what works to improve child welfare outcomes. The Institute then estimated the monetary value of the benefits to Washington if these programs were implemented in the state. In estimating monetary value, the Institute examined factors such as reduced child welfare system expenditures, reduced costs to the victims of child maltreatment, and other long-term outcomes to participants and taxpayers, such as improved educational and labor market performance, and lower criminal activity.

The Institute estimated the statewide benefits of implementing an expanded portfolio of evidence-based programs and found that after five years of implementing such a strategy, Washington would receive long-term net benefits between $317 and $493 million (of which $6 million to $62 million would be net taxpayer benefits). Several of the cost-effective evidence-based programs listed in the expanded portfolio are offered and available to a limited degree in the state, including:

- homebuilders program for intensive family preservation;
- parent-child interaction therapy;
- nurse family partnership home visitation program; and
- parents as teachers.

Child Welfare Services Contracts. The Department of Social and Health Services (DSHS) contracts with multiple private providers for the purchase of various child welfare services, including: individual and group counseling or therapy; group care and behavioral health services; assessment and treatment for chemical dependence, domestic violence, or mental health needs; reunification services; and adoption services. Approximately 1,800 fee-for-service contracts are in force with both non-profit and for-profit entities. None of the contracts are performance-based.

Foster Care Budgeting. Budgeting for the state's share of foster care costs includes the use of information developed by the Caseload Forecast Council. State appropriations for foster care are increased or reduced depending on the forecasted caseload. When the DSHS is successful in reducing foster care caseloads through implementation of prevention and intervention programs or other policies, the savings from reduced caseloads are not available to be used for reinvestment into sustaining or expanding these programs to achieve long-term reduced caseloads and additional statewide reforms.

Researchers and experts in foster care reform frequently emphasize the importance of implementing a reinvestment strategy as the means of sustaining and expanding prevention and early intervention programs designed to strengthen permanent families and thereby reduce foster care caseloads and improve long-term child welfare outcomes.

Legislative Children's Oversight Committee. The Legislative Children's Oversight Committee (LCOC) is responsible for monitoring and ensuring compliance with administrative acts, relevant statutes, rules, and policies pertaining to family and children's services and the placement, supervision, and treatment of children in the state's care or in state-licensed facilities or residences. The LCOC meets at the call of the chair and consists of six legislators total, three from the House of Representatives and three from the Senate, with no more than two members from the same political party per chamber.

Partners For Our Children. Partners for Our Children (POC) is an independent public-private partnership aimed at improving Washington's child welfare system. The partnership consists of the DSHS, the University of Washington School of Social Work, and the regional philanthropic community.

Summary: By January 1, 2011, the Department of Social and Health Services (DSHS) must consolidate and convert its existing contracts for child welfare services to performance-based contracts linking the contractors' performance to the level and timing of reimbursement for services. Numerous administrative statutes relating to child welfare services and statutes governing the child dependency court processes are amended to reflect that the DSHS, as well as private contractors and Indian tribes, may provide child welfare services, including case man-

agement services, under performance-based contracts. Non-profit private contractors must receive primary preference over for-profit contractors.

Child Welfare Transformation Design Committee. A Child Welfare Transformation Design Committee (Committee) is established and charged with selecting two demonstration sites in which the DSHS must contract out for all child welfare services, and developing a transition plan for implementing the performance-based contracts.

The Committee includes representation from the following entities:

- the Office of the Governor;
- the Office of the Attorney General;
- the Children's Administration within the DSHS;
- the Office of the Family and Children's Ombudsman;
- the Indian Policy Advisory Committee convened by DSHS;
- the Racial Disproportionality Advisory Committee convened by the DSHS;
- the bargaining representative for the largest number of Children's Administration's employees;
- nationally recognized experts in performance-based contracting;
- private agencies providing child welfare service in Washington;
- parents with experience in the dependency process;
- Partners for Our Children (POC);
- superior court judges; and
- foster parents.

Staff support for the Committee must be provided jointly by POC staff and legislative staff. It is expected that administrative costs for the Committee will be supported by private funds. The Committee expires July 1, 2015.

Demonstration Sites. The Committee will select the location and size of the demonstration sites to ensure adequate statistical power to assess any meaningful differences in outcomes in the demonstration sites as compared with the current service delivery system.

Effective July 1, 2012, the DSHS must contract for all child welfare services in the demonstration sites, including the following case management functions:

- conducting child-caseworker visits;
- arranging for family visits;
- convening of family group conferences;
- development and revision of the case plan;
- coordination and monitoring of services needed by the child and family;
- performance of court-related duties, including preparing court reports and attending hearings; and
- ensuring the child is progressing toward permanency within state and federal mandates, including the federal Indian Child Welfare Act.

The DSHS may not directly provide child welfare services in the demonstration sites except in an emergency, or if the DSHS is unable to contract with a private agency or the contractor or the DSHS terminate the contract prematurely.

Reporting and Evaluations. The Committee must report in writing to the Governor and the Legislative Children's Oversight Committee as follows:

- quarterly from June 30, 2009, through June 30, 2012; and
- semi-annually from June 30, 2012, through January 1, 2015.

The Washington State Institute for Public Policy (WSIPP) must report to the Governor and the Legislature regarding the DSHS's conversion of existing contracts for child welfare services to performance-based contracts. An initial report is due June 30, 2011, and a final report is due June 30, 2012.

The WSIPP also must conduct a review of the measurable effects achieved by private contractors in the demonstration sites as compared to measurable effects achieved outside the demonstration sites. The WSIPP must provide a report to the Governor and the Legislature by April 1, 2015.

Governor's Authority. Based upon the reports from the WSIPP, the Governor shall, by June 1, 2015, determine whether to expand the demonstration sites or terminate the contracting of all child welfare services, including case management services. The Governor must inform the Legislature of the decision within seven days of making the determination. Regardless of the Governor's decision regarding expansion or termination of the demonstration sites, the DSHS must continue use of performance-based contracts to the extent that it contracts for child welfare services.

Proposal for Reinvestment of Savings. The Caseload Forecast Council, the Office of Financial Management, and the DSHS jointly must develop a proposal for consideration by the Legislature and the Governor allowing for the savings, including savings from reduced foster care caseloads, to be reinvested to expand evidence-based and promising practices to prevent the need for or reduce the duration of foster care placements. The agencies shall brief the Governor and the Legislature on the proposal by November 30, 2010.

Statutes Repealed. Statutes relating to past due dates for reports and studies regarding drug-affected and alcohol-affected infants, abuse and neglect of adolescents, and child care for children at risk of child abuse or neglect are repealed. In addition, statutes requiring contracts for regional foster parent liaisons and directing the implementation and reporting of the intensive resource home pilot program for youth in foster care are repealed.

Votes on Final Passage:

House	97	0	
Senate	37	10	(Senate amended)
House	97	0	(House concurred)

Effective: July 26, 2009
May 18, 2009 (Section 8)

Partial Veto Summary: The Governor vetoed section one, relating to legislative findings and intent; section 14, relating to disclosure of unfounded allegations of child abuse and neglect; and section 19, relating to curriculum and training requirements for child protective services workers.

VETO MESSAGE ON 2SHB 2106

May 19, 2009

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

Ladies and Gentlemen:

I have approved, except for Sections 1, 14 and 19, Second Substitute House Bill 2106 entitled:

"AN ACT Relating to improving child welfare outcomes through the phased implementation of strategic and proven reforms."

Section 1 of the bill is an intent section and includes a sentence that says "It is the duty of the state to provide children at risk of out-of-home placement and their families with reasonable opportunities to access supportive services that enhance their safety and well-being." The bill does not define the term "children at risk of out-of-home placement," but does define "child welfare services" broadly. This section may be interpreted as creating a broad new entitlement that I do not believe was intended.

Section 14 amends RCW 74.15.030 to specify that unfounded allegations of child abuse or neglect shall be disclosed to supervising agencies. This language is in direct conflict with existing statutory language in RCW 26.44.031(4) which specifies that an unfounded, screened-out, or inconclusive report may not be disclosed to any licensed provider.

Section 19 directs the Department of Social and Health Services (Department) to, "within existing resources...develop a curriculum to train child protective services staff in forensic techniques used for investigating allegations of child abuse and neglect." The Department cannot absorb costs associated with unfunded new activities at this time. I agree with the goal of ensuring the quality of our investigations and the local investigation protocols involving the Department, law enforcement and prosecutors are an existing mechanism that can be used to further this goal.

For these reasons, I have vetoed Sections 1, 14 and 19 of Second Substitute House Bill 2106.

With the exception of sections 1, 14 and 19, Second Substitute House Bill 2106 is approved.

Respectfully submitted,

Christine O. Gregoire
Governor

2SHB 2119

C 450 L 09

Expanding dual credit opportunities.

By House Committee on Ways & Means (originally sponsored by Representatives Wallace, Carlyle, Sullivan, Morrell, Quall, Santos and Ormsby).

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

Background: A variety of education programs allow high school students to earn post-secondary course credit while also earning credit toward high school graduation. Students who participate in these dual credit programs have the opportunity to graduate from high school with all or a portion of college course work already completed as well as to enhance their chances of entry into a chosen trade or profession.

Running Start students have the opportunity to study on a college campus while acquiring credits that count toward both high school and college graduation. If the student passes the college course, he or she receives the same amount of credit as any other college student taking the course. The students do not pay tuition for Running Start classes. Rather, for a full-time Running Start student, a school district retains 7 percent of the basic education allocation and provides the remainder to the institution of higher education. A Running Start student may not be charged fees except for consumable supplies, textbooks, and other materials to be retained by the student.

College in the High School permits students to complete college level work while staying on their high school campuses. High school teachers typically form a relationship with a college or university and receive adjunct, extension, or lecturer status. They work with a professor to align a particular high school course with a college level course published in the college catalog. The college course is then taught to high school students by the high school teacher during the regular school day. Students usually pay a fee for this program that varies based on the area of study. Other funding, fees, and eligibility requirements are negotiated by participating schools through a local contract.

Tech Prep is a cooperative effort between K-12 schools, community and technical colleges, and the business community to develop applied integrated academic and technical programs. These professional technical courses are taught on high school campuses by high school instructors. The instructors work with local colleges to assure the courses are taught at the college-level and articulate to the college program. Each of the state's 22 Tech Prep consortia have developed competency-based articulation agreements between high schools and colleges that help students transition from high school into post-secondary professional technical programs. Through Tech Prep

articulation agreements, colleges award credit to students who successfully complete college-equivalent courses and programs with a "B" or better while still in high school.

Advanced Placement and International Baccalaureate students take college-level courses while staying on their high school campuses. For both of these programs, students complete courses taught by high school teachers and take standardized examinations at the. Whether college credit is awarded depends upon a student's score on the exam. For Advanced Placement, students score from zero to five points. Minimum scores to qualify for college credit vary by college and by subject area. Students pay the exam fees.

Running Start for the Trades began in 2006 with the purpose of expanding apprenticeship opportunities for high-school students. High schools work closely with local apprenticeship programs to prepare students to enter apprenticeships immediately after graduation. Depending upon the program, students may earn direct entry into an apprenticeship program or enhance their chances of entry into a program.

Summary: The Legislature recognizes the need for a well-prepared workforce and the value of the various dual credit programs to the state, its workforce, and the individual students and their families. It is important to increase the number of students in dual credit programs as well as the availability of the various programs.

Dual Credit Reporting Requirements. By September 1, 2010, and annually thereafter, the Office of the Superintendent of Public Instruction (OSPI), in collaboration with the State Board for Community and Technical Colleges (SBCTC), the Workforce Training and Education Coordinating Board, the Apprenticeship Council, the Higher Education Coordinating Board (HECB), and the public baccalaureate institutions must report to the higher education committees in the Legislature regarding participation in dual credit programs. The report must include the following data, disaggregated by race, ethnicity, gender, and receipt of free or reduced-price lunch:

- student participation rates and academic performance;
- the total unduplicated head count of students enrolled in at least one dual credit program; and
- the percentage of students who enrolled in at least one dual credit program as a percent of all students enrolled in grades 9 through 12.

College in the High School Rules Development and Governance. The OSPI, the SBCTC, the HECB, and the public baccalaureate institutions must jointly develop, and each adopt, rules governing College in the High School. In developing these rules, the Association of Washington School Principals must be consulted. These rules must be written to encourage the maximum use of the program and may not narrow or limit enrollment options. College in the High School programs are to be governed by a local contract between a school district and an institution of higher education. The following requirements apply:

- Student eligibility is determined by the high school and the institution of higher education.
- Tuition may be charged.
- No student may be reported as more than one full-time equivalent.
- Funds received by the institution of higher education may not be deemed tuition or operating fees; they may be retained by the institution.
- Enrollment information must be maintained separately from other information and may not be included in official enrollment reports, and high school students so enrolled may not be considered in any enrollment statistics that would affect higher education budgetary determinations.
- School districts must award high school credit for successful completion, and these credits must be applied toward graduation and subject area requirements.
- Institutions of higher education must grant college credit for successful completion and apply such credit toward general education or major requirements.
- Eleventh and 12th grade students, as well as those who have not yet received a high school diploma and are eligible to be in these grades, may participate.
- Participating school districts must provide information about the College in the High School program to the parents and guardians of 10th, 11th, and 12th graders.
- Full-time and part-time faculty at the institutions of higher education are eligible to teach courses in the program.

Dual Credit Advising Guidelines. The OSPI and the HECB must develop advising guidelines to assure that students and parents understand that college credits earned in high school dual credit programs may impact eligibility for financial aid.

Running Start. The Running Start statutes are amended to reflect that such programs are not found just at the community and technical colleges but also may be offered by a public tribal college located in Washington that meets accreditation requirements and by some of the four year public institutions.

Running Start students attending community and technical colleges must pay mandatory fees as established by the community and technical college, prorated based upon credit load. Four-year institutions may charge technology fees only. Institutions of higher education must make available fee waivers for low-income students. A Running Start student must be considered low-income, and eligible for a fee waiver, upon proof that the student is currently qualified to receive free or reduced-price lunch.

Students enrolled in Running Start are counted for the purpose of meeting enrollment targets imposed by the state on the institution of higher education in accordance with the terms and conditions specified in the state omnibus appropriations act.

The SBCTC, in collaboration with the OSPI and institutions of higher education that offer Running Start, is charged with developing long-term funding proposals for Running Start and reporting recommendations to the Legislature by September 1, 2010.

Votes on Final Passage:

House	92	4	
Senate	45	2	(Senate amended)
House	93	2	(House concurred)

Effective: July 26, 2009

EHB 2122
C 461 L 09

Reducing the business and occupation tax burden on the newspaper industry.

By Representatives Kessler, Blake, Ericks, Takko, Wallace, Morris, Liias, Hunt, Kelley, Quall, Sullivan and Van De Wege.

House Committee on Finance
Senate Committee on Ways & Means

Background: Washington's major business tax is the business and occupation (B&O) tax. The B&O tax is imposed on the gross receipts of business activities conducted within the state without any deduction for the costs of doing business. Businesses must pay B&O tax even though they may not have any profits or may be operating at a loss. Major tax rates are 0.484 percent for manufacturing and wholesaling, 0.471 percent for retailing, and 1.5 percent for services. Several lower rates also apply to specific business activities.

The printing and the publishing of newspapers, magazines, and periodicals are taxed under a special tax provision. Printing activity is subject to the B&O tax rate of 0.484 percent. Taxpayers that both print and publish books, music, circulars, and other materials are taxed at the same 0.484 percent rate. Publishers that do not print their own material are taxed at the retailing rate (0.471 percent) or wholesaling rate (0.484 percent) on sales of the material, and at the services rate (1.5 percent) on income received from advertising. However, publishers of newspapers, magazines, and periodicals are taxed at the lower 0.484 percent rate.

A newspaper is a regularly issued publication (at least twice a month) that is printed on newsprint in tabloid or broadsheet format folded loosely together without a binding. A periodical or magazine is a regularly issued, printed publication (at least once every three months), other than a newspaper, and includes supplements and special editions.

Summary: The B&O tax rate for printing and publishing newspapers is reduced from 0.484 percent to 0.2904 percent of gross income.

Persons or businesses claiming this preferential tax rate must complete and electronically file an annual report with the Department of Revenue.

Votes on Final Passage:

House	91	5
Senate	46	2

Effective: July 1, 2009

ESHB 2125
C 516 L 09

Addressing community preservation and development authorities.

By House Committee on Community & Economic Development & Trade (originally sponsored by Representatives Santos and Kenney).

House Committee on Community & Economic Development & Trade
Senate Committee on Economic Development, Trade & Innovation

Background: Community Preservation and Development Authorities. Legislation enacted in 2007 provided for formation, legislative authorization, management, powers, and duties of community preservation and development authorities (Authority). In addition, the bill authorized establishment of the Pioneer Square-International District Authority.

Authority Formation and Legislative Authorization. Formation and legislative authorization of an Authority requires the following actions:

- Residents, property owners, employees, or business owners of an impacted community propose formation of an Authority in writing to the appropriate legislative committees in the House of Representatives and the Senate.
- A community proposing formation of an Authority after January 1, 2008, must identify at least one stable revenue source that can be used to support projects contained in the Authority's strategic plan and that has a nexus with the multiple publicly funded facilities that have adversely impacted the community.
- The Legislature must make certain findings and may then authorize an Authority's establishment in law.

Authority Management, Powers, and Duties. An Authority is managed by a nine-member board of directors. Board positions include: two members who own, operate, or represent businesses within the community; two members involved in providing nonprofit community or social

services within the community; two members involved in the arts and entertainment within the community; two members with knowledge of the community's culture and history; and one member involved in a nonprofit or public planning organization directly serving the impacted community. Members of the applicable state legislative delegation join with those proposing formation of an Authority to establish a list of candidates to stand for election as an Authority's initial board of directors. The legislative delegation convenes a meeting of the constituency to conduct the election. Subsequent directors will be elected at an annual local town hall meeting from a list of candidates developed by the existing directors.

An Authority may accept public or private gifts, grants, loans, or other aid from public or private entities, and exercise additional powers as authorized by law. An Authority has no power of eminent domain or power to levy taxes or special assessments.

An Authority must:

- establish specific geographic boundaries within its bylaws and report any changes to the Legislature;
- solicit community input and develop a strategic preservation and development plan;
- include a prioritized list of projects in the plan, identified and supported by the community, including capital and operating components;
- establish funding mechanisms to implement the plan;
- use gifts, grants, loans, and other aid to carry out the projects in the strategic plan; and
- demonstrate accountability by reporting to the appropriate committees of the Legislature, convening an annual town hall meeting with its constituency, and maintaining appropriate books and records.

The Community Preservation and Development Authority Account (Account) created in the State Treasury includes sub-accounts for operating projects and for capital projects. Moneys are subject to appropriation and may only be used for projects developed under the statute.

Before making siting, design, and construction decisions for major public capital projects, state and local government agencies may communicate and consult with an Authority and the impacted community. The consultation may include assessing the compatibility of the proposed project with the Authority's strategic plan, and making reasonable efforts to minimize negative cumulative effects of multiple projects.

Summary: An Authority's nine-member board of directors is expanded to 13 to include two members who reside in the community, and two representatives of the local legislative authority as ex officio members.

Additional Authority powers are specified: employing and appointing agents, attorneys, officers, and employees; contracting and entering into partnerships with individuals, associations, corporations, and local, state, and federal governments; buying, owning, leasing, and selling real estate and personal property; holding in trust, improving, and developing land; investing, depositing, and reinvesting funds; incurring debt to further its mission; and lending its funds, property, credit, or services for corporate purposes.

An Authority that accepts public funds is prohibited from using those funds to loan the state's credit, to support or oppose a candidate, ballot proposition, political party, or political committee.

An Authority's use of financial resources includes, but is not limited to: enhancing public safety; reducing community blight; and providing ongoing mitigation of the adverse community effects of multiple publicly funded projects.

Votes on Final Passage:

House	63	32	
Senate	34	8	(Senate amended)
House			(House refuses to concur)
Senate	40	8	(Senate amended)
House	59	36	(House concurred)

Effective: July 26, 2009

ESHB 2126

C 102 L 09

Consolidating the cemetery board and the board of funeral directors and embalmers.

By House Committee on Commerce & Labor (originally sponsored by Representatives Orwall, Darneille, Nelson, Jacks, Hasegawa, Van De Wege, Liias and Kenney; by request of Governor Gregoire).

House Committee on Commerce & Labor
Senate Committee on Government Operations & Elections

Background: Department of Licensing. The Department of Licensing (Department) regulates certain professions and businesses under specific licensing laws. These professions and businesses include funeral directors, embalmers, funeral establishments, cemeteries, and crematories.

Board of Funeral Director and Embalmers. The Board of Funeral Directors and Embalmers (Funeral Board):

- conducts examinations of applicants for funeral director and embalmer licenses;
- issues licenses to funeral directors, embalmers, and funeral establishments;
- takes disciplinary action against licensees;
- adopts rules for administering and enforcing the regulatory law;
- examines and audits prearrangement funeral service trust funds; and
- consults with the Cemetery Board on rules for cremation and crematories.

The Funeral Board consists of four professional members and one public member appointed by the Governor to five-year terms. The professional members must be licensed funeral directors and embalmers with five years of continuous practice.

The Funeral Directors and Embalmers Account (Funeral Account) is a dedicated account. Various license fees, fines, and civil penalties are paid into the Funeral Account, and expenses related to licensing and registration activities are paid from the Funeral Account as authorized by legislative appropriation.

Cemetery Board. The Cemetery Board:

- enforces and administers laws governing private cemeteries, mausoleums, columbariums, endowment care funds, and prearrangement contracts;
- takes disciplinary action against licensees;
- adopts standards of professional conduct and other rules; and
- consults with the Funeral Board on rules for cremation and crematories.

The Cemetery Board does not regulate: church cemeteries; cemeteries operated by counties, cities, or other government entities; or abandoned or historic cemeteries.

The Cemetery Board consists of four professional members and one public member appointed by the Governor to five-year terms. The professional members are persons with experience managing a cemetery authority or serving on a cemetery's board of directors. The public member must not have a financial interest in the cemetery business.

The Cemetery Account is a dedicated account. License fees and other moneys related to the Cemetery Board's activities are deposited in the Cemetery Account, and expenditures related to its activities are paid from the Cemetery Account. The Cemetery Account is subject to allotment, but not appropriation.

Summary: A new Funeral and Cemetery Board is created by consolidating the existing Funeral Board and the existing Cemetery Board. The new Funeral and Cemetery Board assumes the powers and duties of the existing boards.

Initially, the new Funeral and Cemetery Board consists of the 10 members of the existing boards. The expiration dates of the members' terms remain the same. Subsequently, the new Funeral and Cemetery Board consists of seven members appointed by the Governor to four-year terms. Three members must be licensed funeral directors and embalmers with five years of continuous practice. Three members must be persons with experience managing a cemetery authority or serving on a cemetery's board of directors. One member must represent the general public and not have worked in or received financial benefit from the funeral or cemetery industry. All members must be Washington residents.

A majority of the new Funeral and Cemetery Board members constitutes a quorum. To consider charges under the law governing funeral directors and embalmers, a quorum must include two members who are funeral directors and embalmers. To consider charges under the law governing cemeteries, a quorum must include two members who are cemetery managers. If there is a conflict of interest, a majority of the members must preside over the hearing.

A dedicated account, the Funeral and Cemetery Account, is created. Receipts from fines and fees collected under the laws governing funeral directors and cemeteries are deposited into the new account. Expenditures may be used only for the operation and enforcement of these laws. The new Funeral and Cemetery Account is subject to allotment, but not appropriation. Any residual balances in the existing accounts are transferred to the new account.

The Department of Archaeology and Historic Preservation (instead of the Cemetery Board) is authorized to bring civil actions against persons who violate laws governing historical cemeteries. Technical corrections are made.

Votes on Final Passage:

House	96	0
Senate	44	0

Effective: July 26, 2009

ESHB 2128

PARTIAL VETO

C 463 L 09

Concerning health care coverage for children.

By House Committee on Health Care & Wellness (originally sponsored by Representatives Seaquist and Simpson).

House Committee on Health Care & Wellness
Senate Committee on Health & Long-Term Care
Senate Committee on Ways & Means

Background: The Department of Social and Health Services (DSHS) is required to provide affordable health coverage for all children living in Washington whose family income is at or below 250 percent of the federal poverty level (in 2008, $53,000 for a family of four). If the Legislature appropriates sufficient funds, the financial eligibility for the program will increase to 300 percent of the federal poverty level (in 2008, $63,600 for a family of four). For children living in families with household income above 300 percent of the federal poverty level, the DSHS is required to offer nonsubsidized health coverage for children beginning on January 1, 2009. The DSHS is also required to offer nonsubsidized health care coverage through the same children's health programs available to children living in families with household incomes below 300 percent of the federal poverty level.

Summary: The DSHS is required to:

- modify outreach, application, and renewal procedures to increase enrollment and enrollment rates, and renewals and renewal rates;
- use an eligibility card that identifies a child as a participant in the Apple Health for Kids Program;
- develop performance measures that show children in the Apple Health for Kids Program are receiving health care from a medical home and whether the overall health of enrolled children is improving; and
- appoint an Apple Health executive to oversee the Apple Health for Kids program.

After January 1, 2010, the DSHS will offer families whose household income exceeds 300 percent of the federal poverty level the ability to purchase health insurance for their children without an explicit premium subsidy from the state. The benefit design of the health insurance will be different from the package available to children living in families with household incomes below 300 percent of the federal poverty level.

Votes on Final Passage:

House	68	28	
Senate	30	17	(Senate amended)
House	67	29	(House concurred)

Effective: July 26, 2009

Partial Veto Summary: The Governor vetoed the requirement that the Department of Social and Health Services identify a staff position as the single point of contact and coordination for the Apple Health for Kids program.

VETO MESSAGE ON ESHB 2128

May 12, 2009

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

Ladies and Gentlemen:

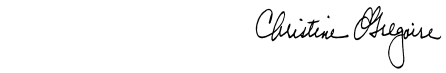
I have approved, except for Section 3, Engrossed Substitute House Bill 2128 entitled:

"AN ACT Relating to meeting the goal of all children in Washington having health care coverage by 2010."

Section 3 requires the Department of Social and Health Services to identify a staff position as the single point of contact and coordination for the Apple Health for Kids program. While I appreciate the intent of this section, I believe it inappropriate to direct in statute how an agency must staff a particular program. Especially in this difficult economic time, agencies must have the flexibility to allocate limited staff resources in the way which best suits all of their activities. Nonetheless, I will direct the Department to appoint someone to oversee this program.

For this reason, I have vetoed Section 3 of Engrossed Substitute House Bill 2128. With the exception of Section 3, Engrossed Substitute House Bill 2128 is approved.

Respectfully submitted,



Christine O. Gregoire
Governor

HB 2129

PARTIAL VETO
C 448 L 09

Regarding the greenhouse gas emissions performance standard under chapter 80.80 RCW.

By Representative Eddy.

House Committee on Technology, Energy & Communications
Senate Committee on Environment, Water & Energy

Background: Greenhouse Gas (GHG) Emissions Performance Standard for Electric Generation Plants. In 2007 legislation was enacted establishing a GHG emissions performance standard (EPS) for electric generation. Under the law, electric utilities may not enter into long-term financial commitments for baseload electric generation on or after July 1, 2008, unless the generating plant's emissions are the lower of:

- 1,100 pounds of GHG per megawatt-hour; or
- the average available GHG emissions output as updated by the Department of Community, Trade and Economic Development.

"Baseload electric generation" means electric generation from a power plant that is designed and intended to provide electricity at an annualized plant capacity factor of at least 60 percent. "Long-term financial commitment" means either: (1) a new ownership interest in baseload electric generation or an upgrade to a baseload electric generation facility; or (2) a new or renewed contract for baseload electric generation with a term of five or more years for the provision of retail power or wholesale power to end-use customers in this state. "Power plant" means a facility for the generation of electricity that is permitted as a single plant by the Energy Facility Site Evaluation Council or a local jurisdiction.

Review of Long-Term Financial Commitments by the Utilities and Transportation Commission. In order to enforce the emissions performance standard, the Utilities and Transportation Commission (UTC) must determine if the baseload power supplied under a long-term financial commitment complies with the EPS. The UTC is also authorized to decide at this time if, among other things, the investor-owned utility (IOU) needs the resource and whether the resource is appropriate, taking into consideration such factors as a company's forecasted load. A review of a long-term financial commitment must be conducted under the Administrative Procedures Act.

Unspecified Sources of Power. An "unspecified source" of power is electricity that cannot be matched to a particular generating facility. It can result from a number of factors, including market purchases used to balance transmission and relieve short-term interruptions. Unspecified sources may also include power purchased from independent producers that own generating facilities or power purchased from the Bonneville Power

Administration (BPA), which markets blended power from the region's federal dams, a nuclear power plant, a few wind farms, and other sources. Historically, the BPA's unspecified sources of power have been no higher than 12 percent of its system sales.

The Department of Ecology (Department) is responsible for addressing long-term purchases of electricity from unspecified sources in a manner consistent with the greenhouse gas emissions performance standard statute. Through the rulemaking process, the Department adopted by rule a time-weighted average formula that assigns the default emission value of an average pulverized coal plant to an unspecified source of power.

Cost Deferrals for IOUs. An IOU is allowed to defer up to 24 months the costs associated with a long-term financial commitment for baseload electric generation. Recovery of deferred costs is subject to approval by the UTC.

Case-by-Case Exemption to the Greenhouse Gas Emissions Performance Standard. The governing board of a consumer-owned utility and the Utilities and Transportation Commission, upon application by an investor-owned utility, may provide a case-by-case exemption from the greenhouse gas emissions performance standard to address: (1) unanticipated electric system reliability needs; or (2) catastrophic events or threat of significant financial harm that may arise from unforeseen circumstances.

Eligible Renewable Resources Under the Energy Independence Act (Initiative 937). Approved by voters in 2006, Initiative 937 requires electric utilities with 25,000 or more customers to meet targets for energy conservation and for using eligible renewable resources.

Under Initiative 937, "eligible renewable resource" includes wind, solar, geothermal energy, landfill and sewage gas, wave and tidal power, and certain biomass and biodiesel fuels. Electricity produced from an eligible renewable resource must be generated in a facility that started operating after March 31, 1999. The facility must either be located in the Pacific Northwest or the electricity from the facility must be delivered into the state on a real-time basis. Incremental electricity produced from efficiency improvements at hydropower facilities owned by qualifying utilities is also an eligible renewable resource, if the improvements were completed after March 31, 1999.

Summary: Definition of "Power Plant". The definition of "power plant," which means a single plant sited by the Washington Energy Facility Site Evaluation Council or a local jurisdiction, is changed to mean a facility for the generation of electricity that is permitted as a single plant by a jurisdiction inside or outside the state.

Long-Term Financial Commitments with the Bonneville Power Administration. The greenhouse gas emissions performance standard does not apply to long-term financial commitments with the Bonneville Power Administration.

Unspecified Sources of Power in Long-Term Financial Commitments. No more than 12 percent of emissions in a long-term financial commitment may be from unspecified sources of power.

Case-by-Case Exemption to the Greenhouse Gas Emission Performance Standard. The UTC and the governing boards of consumer-owned utilities may provide case-by-case exemptions to the greenhouse gas emission performance standard for extraordinary cost impacts on utility ratepayers.

Application of the Emissions Performance Standard to Long-Term Financial Commitments with Multiple Power Plants. For a long-term financial commitment with multiple power plants, the emissions of each power plant must comply with the emissions performance standard, except for commitments already deemed to be in compliance under current law: baseload generation facilities in operation as of June 30, 2008; facilities powered exclusively by renewable resources; and certain cogeneration facilities using natural or waste gas.

Review of Long-Term Financial Commitments Made by IOUs. The provision concerning the review of long-term financial commitments for baseload generation is modified. When an IOU submits a long-term financial commitment to the UTC for review, the UTC is only required to determine if the proposed baseload resource complies with the emission performance standard. All other issues, such as the need for and appropriateness of the resource, will be determined in a subsequent rate case.

Cost-Deferral Process. For the purposes of the cost-deferral process, the definition of "long-term financial commitment" includes an IOU's ownership or power purchase agreement of at least five years associated with an eligible renewable resource under Initiative 937.

Votes on Final Passage:

House	95	0	
Senate	45	0	(Senate amended)
House	95	0	(House concurred)

Effective: July 26, 2009

Partial Veto Summary: The Governor vetoed Section 4 of HB 2129. Section 4 allowed governing board of consumer-owned utilities to provide a case-by-case exemption from the greenhouse gas emissions performance standard to address extraordinary cost impacts on utility ratepayers.

The Governor vetoed this section "because there is no clear definition of what these impacts may be on ratepayers, no process by which other parties would have the opportunity to present evidence and argument opposing a proposed exemption, and no clear legal framework that assures transparency and accountability."

VETO MESSAGE ON HB 2129

May 11, 2009

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

Ladies and Gentlemen:
I have approved, except for Section 4, House Bill 2129 entitled:

"AN ACT Relating to the greenhouse gas emissions performance standard under chapter 80.80 RCW."

Section 4 allows the governing boards of public utilities to exempt themselves from performance standards if they find "extraordinary cost impacts on utility ratepayers." I am vetoing this section because there is no clear definition of what these impacts may be on ratepayers, no process by which other parties would have the opportunity to present evidence and argument opposing a proposed exemption, and no clear legal framework that assures transparency and accountability.

For these reasons, I have vetoed Section 4 of House Bill 2129. With the exception of Section 4, House Bill No. 2129 is approved.

Respectfully submitted,

Christine O. Gregoire
Governor

HB 2132
C 223 L 09

Regarding instruction in civics.

By Representatives Quall, Anderson, Carlyle, Dammeier, Probst, Sullivan, Johnson, Hudgins, Kelley, Chase, Wood and Santos.

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

Background: The State Board of Education (SBE) is charged with adopting minimum high school graduation requirements. In 2006 the Legislature directed the SBE to define the purpose of a meaningful high school diploma. Part of the SBE's definition was that a diploma should "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." As part of its work, the SBE also recommended increasing high school graduation requirements from 19 to 24 credits. The SBE is continuing work on this proposal, and it has not yet been adopted.

One aspect of the recommendation is to increase requirements in Social Studies from 2.5 to 3.0 credits. The current Social Studies requirement is as follows:

- one credit in United States history and government, including study of the Constitution;
- one credit in contemporary world history, geography, and problems; and
- one-half credit in Washington State history and government, including study of the state Constitution.

The Social Studies credits are also expected to align with the state Essential Academic Learning Requirements (EALRs) in civics, economics, geography, and history.

Summary: The purpose of a high school diploma is to declare that a student is ready for success in post-secondary education, gainful employment, and citizenship, and is equipped with the skills to be a lifelong learner. If, after the effective date of the bill, the SBE increases the number of Social Studies credits required for high school graduation, at least one-half credit must be coursework in civics. The content of the civics requirement must include: federal, state, and local government organizations and procedures; rights and responsibilities of citizens addressed in the state and federal Constitutions; current issues addressed at each level of government; and electoral issues.

Votes on Final Passage:

House	94	0
Senate	46	0

Effective: July 26, 2009

HB 2146
C 344 L 09

Modifying contract requirements for water or sewer facilities.

By Representatives Ericks, Johnson, Eddy and Liias.

House Committee on Local Government & Housing
Senate Committee on Government Operations & Elections

Background: Cities, towns, and water-sewer districts are authorized to enter into contracts with developers and other property owners that create reimbursement procedures for the construction and/or funding of infrastructure improvements that exceed the scope or capacity necessary for a particular development or property. Such contracts may pertain to the construction or improvement of either street projects or water-sewer facilities.

Typically, such contracts involve situations in which a new property development necessitates the construction of additional infrastructure, and the developer agrees to provide infrastructure improvements on a scale sufficient to service the current development project as well as future development that is likely to occur in the area. In return, the contract provides that the developer will receive pro rata reimbursement from other developers or property owners who later benefit from the excess capacity provided by the infrastructure improvements. Such reimbursement agreements are limited to a period of 15 years and are often referred to as "latecomer agreements." The contract may contain provisions allowing the extension of the reimbursement period beyond the initial 15-year period.

Summary: The statutory time limit for infrastructure development reimbursement contracts, known as "latecomers agreements," is extended to 20 years. In addition, a reimbursement contract may provide for an extension beyond the 20-year duration of the original contract.

Votes on Final Passage:

House	97	0	
Senate	45	0	(Senate amended)
House	97	0	(House concurred)

Effective: July 26, 2009

SHB 2157
C 345 L 09

Consolidating certain salmon recovery activities and programs within the recreation and conservation office.

By House Committee on General Government Appropriations (originally sponsored by Representative Springer; by request of Governor Gregoire).

House Committee on Agriculture & Natural Resources
House Committee on General Government Appropriations
Senate Committee on Natural Resources, Ocean & Recreation

Background: A number of state agencies and offices are involved with statewide salmon recovery and watershed health programs, including the Governor's Salmon Recovery Office (Recovery Office), the Salmon Recovery Funding Board (Recovery Board), the Forum on Monitoring Salmon Recovery and Watershed Health (Forum), the Recreation and Conservation Office (Conservation Office), the Department of Ecology (DOE), and the Washington Department of Fish and Wildlife (WDFW). The Recovery Board provides grants for salmon recovery, while the Forum is charged with providing greater coordination on monitoring recovery efforts throughout the state. Administrative support for the Recovery Board and the Forum is provided by the Conservation Office. Funding for the lead entities is provided by the Recovery Board through a contract with the WDFW. Funding for water resource inventory area planning units and lead agencies to develop and implement watershed-based plans, however, is provided by the DOE.

The Governor's Salmon Recovery Office. The Recovery Office coordinates and assists in the development, implementation, and revision of regional salmon recovery plans as part of a statewide strategy for salmon recovery. The Recovery Office is responsible for maintaining the statewide salmon recovery strategy to reflect applicable provisions of regional recovery plans, habitat protection and restoration plans, water quality plans, and other private, local, regional, state, and federal plans and projects that contribute to salmon recovery. The Recovery Office also has the authority to take a number of actions related to salmon recovery in the state, such as: assisting state agencies, local governments, landowners, and other interested parties in obtaining federal assurances that plans are consistent with fish recovery under the federal Endangered Species Act; acting as a liaison to local governments, the state Congressional delegation, Congress, and federally-recognized tribes on issues related to Washington's salmon recovery plans; and providing recommendations to the Legislature to improve salmon recovery efforts.

The Recreation and Conservation Office. The Conservation Office is a state agency responsible for administering the programs and activities of the Recreation and Conservation Funding Board (Conservation Board), the Recovery Board, the Forum, and the Invasive Species Council. The Director of the Conservation Office, in coordination with the Office of the Governor and the Office of Financial Management, has the authority to prepare and update a strategic plan for the acquisition, renovation, and development of recreational resources and the preservation and conservation of open space. The Conservation Board, in turn, is charged with creating and implementing a unified statewide strategy for meeting the recreational needs of Washington's citizens. In conjunction with other state and local agencies and the Governor, the Conservation Board is also responsible for: representing and promoting the interests of the state on recreational issues; providing and encouraging interagency and regional coordination, as well as interaction, between public and private organizations; administering recreational grant programs and providing technical assistance; and serving as a repository for information relating to recreation.

Summary: Changes in Authority and Duties of Salmon Recovery Entities. A new provision states legislative findings related to state investments in watershed-based activities, salmon recovery efforts, and entities involved in state-wide salmon recovery efforts.

The Conservation Office is responsible for administering grant programs that support the functions of lead entities involved in developing and submitting habitat project lists for a particular area. The Conservation Office also must provide an assessment to the Governor by December 1, 2009, regarding additional coordination and incentive opportunities with lead entities and agencies, regional salmon recovery organizations, and water resource inventory area planning units. By the same deadline, the Conservation Office must recommend one pilot project outside of the Puget Sound that will effectively integrate salmon recovery and watershed planning missions and objectives.

The requirement that the Recovery Office must submit a biennial State of the Salmon Report is removed and replaced with the requirement that the Conservation Office prepare and submit a biennial Consolidated Report on Salmon Recovery and Watershed Health (Consolidated Report). The Consolidated Report must include a summary of the projects and programs funded by the Recovery Board and a summary of progress in general in achieving salmon recovery, as measured by high-level indicators and state agency compliance with requirements established by the Forum.

The Forum is required to adopt general high-level indicators for salmon recovery and watershed health by December 1, 2009. By July 1, 2010, the Forum is responsible for adopting protocols for monitoring these high-level indicators that will enable monitoring efforts to be capable of reporting results that will ensure reporting consistency and agency compliance under the consolidated reporting requirement administered by the Recovery Office. The

Forum must indicate how the general high-level indicators are consistent with, and complement, the more detailed regional and local metrics used to measure salmon recovery and watershed health.

The DOE is required to provide recommendations to the Legislature by December 1, 2009, on grant programs related to restoration and protection of water quality and quantity supplies that may be more effectively and efficiently funded through the Recovery Board.

The requirement that the Washington State Department of Transportation, the WDFW, and the DOE, in conjunction with the tribes, convene a work group to develop policy guidance to evaluate mitigation alternatives is removed.

Consolidating Salmon Recovery Provisions under the Recreation and Conservation Office. The provisions regarding the administration of the Recovery Office and the Forum are moved from the Salmon Recovery section of the Revised Code of Washington to the section on the Recreation and Conservation Funding Board.

Votes on Final Passage:

House	96	0	
Senate	47	0	(Senate amended)
House	95	0	(House concurred)

Effective: July 26, 2009

SHB 2160

C 329 L 09

Concerning health carrier payment of wellness incentives.

By House Committee on Health Care & Wellness (originally sponsored by Representatives Driscoll, Hinkle, Cody, Bailey, Kelley, Wood and Morrell; by request of Governor Gregoire).

House Committee on Health Care & Wellness
Senate Committee on Health & Long-Term Care

Background: Health carriers develop rates based on an adjusted community rate that may be varied for geographic area, family size, age, and wellness activities. Wellness activities include an explicit activity consistent with the Department of Health guidelines 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 for the purpose of improving enrollee health status and reducing health service costs. There has been a question whether a health carrier can offer a wellness discount based on statutory language that prohibits a health carrier from offering rebates or inducements to purchase health insurance coverage.

Summary: Notwithstanding a prohibition against offering rebates or inducements to purchase insurance, health carriers are specifically permitted to offer a wellness program that complies with the requirements of the Health Insurance Portability and Accountability Act.

Votes on Final Passage:

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

Effective: July 26, 2009

HB 2165

C 163 L 09

Authorizing the department of natural resources to conduct a forest biomass energy demonstration project.

By Representatives Van De Wege, Haler, Blake, Kretz, McCoy, Hinkle, Ormsby, Nelson, Eddy, Hasegawa, Takko, Chase, Kenney, Warnick and Morrell; by request of Department of Natural Resources.

House Committee on Technology, Energy & Communications
House Committee on General Government Appropriations
Senate Committee on Natural Resources, Ocean & Recreation

Background: The Department of Natural Resources (Department) manages 5.6 million acres of forest, range, agricultural, aquatic, and commercial lands for the people of Washington. Much of this land (3 million acres) is state trust land that provides revenue to help pay for construction of public schools, universities, and other state institutions, and funds services in many counties.

There are three primary sources of woody biomass in Washington. Wood products residue is the wood waste generated at sawmills and wood products mills. Urban wood waste includes discarded wood and yard debris. Forest biomass is residual biomass material generated from logging or thinning activities on forests.

Tree tops, limbs, and cull material left over from logging activity represents a large potential resource for biomass energy.

Summary: The Department may develop and implement forest biomass energy demonstration projects (demonstration projects), one east of the crest of the Cascade mountains and one west of the crest of the Cascade mountains.

The demonstration projects must be designed to: (1) reveal the utility of Washington's public and private forest biomass feedstocks; (2) create green jobs; (3) generate renewable energy; (4) generate revenues or improve asset values for beneficiaries of state lands and state forest lands; (5) improve forest health; (6) reduce pollution; and (7) restore ecological function. In designing the demonstration project, the Department must avoid interfering with the current working area for forest biomass collection surrounding an existing fixed location biomass energy production site.

To develop and implement the demonstration projects, the Department may form forest biomass energy partnerships or cooperatives. The forest biomass energy partnerships or cooperatives are encouraged to be public-private partnerships focused on convening the entities necessary to grow, harvest, process, transport, and utilize forest biomass to generate renewable energy. Particular focus must be given to recruiting and employing emerging technologies that can locally process forest biomass feedstock to create local green jobs and reduce transportation costs.

The forest biomass energy partnerships or cooperatives may include, but are not limited to: (1) entrepreneurs or organizations developing and operating emerging technology to process forest biomass; (2) industrial electricity producers; (3) contractors; (4) tribes; (5) federal land management agencies; (6) county, city, and other local governments; (7) the Department of Community, Trade and Economic Development; (8) state trust land managers; (9) an organization dedicated to protecting and strengthening the jobs, rights, and working conditions of Washington's working families; (10) accredited research institutions; (11) an industrial timber land manager; (12) a small forest landowner; and (13) a not-for-profit conservation organization.

The Department is authorized to seek grants or financing from the federal government, industry, or philanthropists for the purpose of the demonstration projects.

Report to the Legislature. By December 2010, the Department must provide a progress report to the Legislature regarding its efforts to develop, implement, and evaluate forest biomass energy demonstration projects and any other Department initiatives related to forest biomass.

The report may include an evaluation of:

- the status of the Department's abilities to secure funding, partners, and other resources for the demonstration projects;
- the status of the demonstration projects resulting from the Department's efforts;
- the status and, if applicable, additional needs of forest landowners within the demonstration project areas for estimating sustainable forest biomass yields and availability;
- forest biomass feedstock supply and forest biomass market demand barriers, and how they can best be overcome, including actions by the Legislature and the U.S. Congress; and
- sustainability measures that may be instituted by the state to ensure that an increasing demand for forest biomass feedstocks does not impair public resources or the ecological conditions of forests.

Definition. "Forest biomass" means the byproducts of: (1) current forest practices prescribed or permitted under chapter 76.09 RCW; (2) current forest protection treatments prescribed or permitted under chapter 76.04 RCW; or (3) the byproducts of forest health treatments prescribed or permitted under chapter 76.06 RCW. Forest biomass does not include wood pieces that have been treated with chemical preservatives such as: (1) creosote, pentachlorophenol, or copper-chrome-arsenic; (2) wood from old growth forests, except wood removed for forest health treatments under chapter 76.06 RCW; (3) wood required by chapter 76.04 RCW for large woody debris recruitment; or (4) municipal solid waste.

Votes on Final Passage:

House	96	0	
Senate	44	0	(Senate amended)
House	96	0	(House concurred)

Effective: July 26, 2009

EHB 2194

C 441 L 09

Modifying provisions relating to extraordinary medical placement for offenders.

By Representative Appleton; by request of Department of Corrections.

House Committee on Human Services
House Committee on Ways & Means
Senate Committee on Ways & Means

Background: Extraordinary Medical Placement. The Sentencing Reform Act sets forth the conditions under which an offender may leave the confines of the Department of Corrections (DOC) before the expiration of his or her sentence. An offender may leave before the expiration of his or her sentence as a result of earned early release, an authorized release or a leave of absence, or a transfer to community custody in lieu of earned early release.

In addition, an offender may leave if the DOC authorizes an extraordinary medical placement. An offender must meet the following conditions to become eligible for such a release:

- the offender has a medical condition that is serious enough to require costly care treatment;
- the offender poses a low risk to the community because he or she is physically incapacitated due to age or the medical condition; and
- granting the extraordinary medical placement will result in a cost savings to the state.

Offenders sentenced to death or to life imprisonment without the possibility of release or parole are not eligible for an extraordinary medical placement. Also, the Secretary of the DOC must 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. Extraordinary medical placement may be revoked at any time.

Summary: The eligibility conditions for extraordinary medical placement are modified. An offender is eligible if:

- the offender has a medical condition that is serious and is expected to require costly care or treatment;
- the offender poses a low risk to the community because the offender is currently physically incapacitated due to age or a medical condition or is expected to be so at the time of release; and
- it is expected that granting the extraordinary medical placement will result in a cost savings to the state.

If electronic monitoring interferes with the function of an offender's medical equipment or results in the loss of funding of the offender's medical care, an alternative type of monitoring must be used.

Votes on Final Passage:

House	51	46	
Senate	27	16	(Senate amended)
House	52	41	(House concurred)

Effective: August 1, 2009

HB 2199

C 405 L 09

Providing regulatory relief for properties impacted by shifts in shoreline location due to habitat restoration projects.

By Representatives Newhouse and Hudgins.

House Committee on Local Government & Housing
Senate Committee on Natural Resources, Ocean & Recreation

Background: Shoreline Management Act. The Shoreline Management Act (SMA) governs uses of state shorelines. The SMA enunciates state policy to provide for shoreline management by planning for and fostering "all reasonable and appropriate uses." The SMA prioritizes public shoreline access and enjoyment, and creates preference criteria in prioritized order that must be used by state and local governments in regulating shoreline uses.

The SMA involves a cooperative regulatory approach between local governments and the state. At the local level, SMA regulations are developed in local shoreline master programs (master programs). All counties and cities with shorelines of the state are required to adopt master programs that regulate land use activities in shoreline areas of the state. Master programs must be consistent with guidelines adopted by the Department of Ecology (DOE), and the programs, and segments of or amendments to, become effective when approved by the DOE.

Each local government must establish a program for the administration and enforcement of a shoreline permit system. While the SMA specifies standards for counties and cities to review and approve permit applications, the administration of the permit system is performed exclusively by the local government. Counties and cities are also required to notify the DOE of all permit decisions under the SMA. Additionally, only the DOE may approve variance or conditional use permits that authorize actions otherwise prohibited by shoreline regulations.

The SMA requires property owners or developers to obtain substantial development permits for qualifying developments within shorelines areas. "Substantial developments" are defined to include both developments with total cost or fair market value exceeding $5,000, or other amount as adjusted for inflation, and developments materially interfering with normal public shoreline use.

Growth Management Act. The Growth Management Act (GMA) is the comprehensive land use planning framework for county and city governments in Washington. Enacted in 1990 and 1991, the GMA establishes numerous requirements for local governments obligated by mandate or choice to fully plan under the GMA (planning jurisdictions) and a reduced number of directives for all other counties and cities.

The GMA includes requirements relating to the use or development of land in urban and rural areas. Among other requirements, counties that fully plan under the GMA (planning counties) must designate urban growth areas (UGAs) or areas within which urban growth must be encouraged and outside of which growth can occur only if it is not urban in nature.

Summary: A local government may grant relief from master program standards and use regulations that apply within a UGA if a shoreline restoration project causes or will cause a landward shift in the ordinary high water mark that results in land that had not been regulated under the SMA before construction of the restoration project being brought under shoreline jurisdiction or:

- additional regulatory requirements applying due to a landward shift in required shoreline buffers or other regulations of the applicable master program; and
- the application of master program regulations that preclude or interfere with use of the property in ways permitted by local development regulations, thus presenting a hardship to the project proponent.

"Shoreline restoration project" means a project designed to restore an impaired ecological function of a shoreline.

Relief may only be granted by a local government if specific requirements are met, including:

- the proposed relief is the minimum necessary to relieve the hardship;
- the restoration project for which the relief is proposed will result in a net environmental benefit; and
- the granting of proposed relief is consistent with the objectives of the shoreline restoration project and consistent with the master program.

Local governments may not grant relief from master program standards for shoreline restoration projects that are mitigation measures required of a project proponent to obtain a development permit.

The application for relief must be submitted by the local government to the DOE for approval or disapproval. The application review must occur during the DOE's normal review of a shoreline substantial development permit, conditional use permit, or variance. If a permit is not required for the restoration project, the DOE must conduct its review when the local government provides a copy of a complete application and all necessary supporting information.

Except as provided otherwise, the DOE must provide at least 20 days notice to parties that have indicated interest to the DOE in reviewing applications for relief. The DOE must also post the notice on its website. The DOE must approve or reject the application within 30 calendar days of the close of the public notice period, or if additional public notice is not required, within 30 days of receipt of the proposal from the local government. These public notice requirements do not apply if the relevant shoreline restoration project was included in a master program or shoreline restoration plan and other requirements are met.

A substantial development permit is not required on land within a UGA that is brought under shoreline jurisdiction due to a shoreline restoration project creating a landward shift in the ordinary high water mark.

Votes on Final Passage:

House	97	0	
Senate	44	0	(Senate amended)
House	95	0	(House concurred)

Effective: July 26, 2009

HB 2206

C 171 L 09

Including costs as authorized expenditures from the OASI revolving fund and OASI contribution account.

By Representative Darneille; by request of Department of Retirement Systems.

House Committee on Ways & Means
Senate Committee on Ways & Means

Background: The federal Old-Age and Survivors Insurance (OASI) program is the portion of the federal Social Security program that provides monthly benefits to retired or disabled workers, their spouses and children, and to the survivors of insured workers.

The Employment Security Department (ESD) operates an OASI Revolving Fund to pay amounts that the state may be obligated to pay to the federal government due to the failure of public agencies to pay contributions, assessments, or interest to the OASI program. The OASI Revolving Fund is used to pay for the contributions and assessments to the OASI program; however, the Local General Fund is used to pay for the administration of the program. The participating governmental entities contribute to the Local General Fund on a pro rata basis to support the administrative costs.

Summary: The authority to operate the OASI program for the state is transferred from the ESD to the Department of Retirement Systems. The costs of funding the administration of the program are shifted from the Local General Fund to the OASI Revolving Fund, to which participating entities will contribute on a pro rata basis.

Votes on Final Passage:

House	96	0
Senate	47	0

Effective: July 26, 2009

SHB 2208

C 517 L 09

Prohibiting new motorsports vehicle dealers from having to pay a fee for canceling orders of new motorsports vehicles.

By House Committee on Commerce & Labor (originally sponsored by Representatives Hope, Kristiansen, Newhouse and McCune).

House Committee on Commerce & Labor
Senate Committee on Labor, Commerce & Consumer Protection

Background: Many aspects of the franchise relationship between motorsports vehicle manufacturers and motorsports vehicle dealers are regulated by the Department of Licensing. "Motorsports vehicles" are defined as motorcycles, mopeds, snowmobiles, personal watercraft, and four-wheel all-terrain vehicles.

State law establishes unfair trade practices in the manufacturer-dealer relationship. Motorsports manufacturers may not:

- use confidential information from a dealer to compete against that dealer;
- require a dealer to order or accept delivery of a motorsports vehicle or accessory;
- fail to indemnify and hold a dealership harmless;
- require dealers to transfer installment sales contracts to a manufacturer;
- require franchise agreements to contain a right of first refusal;
- raise prices without notice;
- withhold consent to transfer any interest in a dealership; or
- prevent a dealer from restructuring the capital or business structure of a dealership.

Summary: An unfair trade practice is added that prohibits manufacturers from requiring a dealer to pay a fee for

canceling orders. The prohibition expires on August 1, 2009.

Votes on Final Passage:

House	97	0	
Senate	38	5	(Senate amended)
House	96	0	(House concurred)

Effective: May 15, 2009

ESHB 2211

C 472 L 09

Addressing the authorization, administration, collection, and enforcement of tolls on the state route number 520 corridor.

By House Committee on Transportation (originally sponsored by Representatives Clibborn, Eddy, Maxwell and Liias).

House Committee on Transportation
Senate Committee on Transportation

Background: The State Route (SR) 520 Evergreen Point Bridge is a 1.5 mile, 43-year-old bridge crossing Lake Washington in King County. The bridge is scheduled for replacement due to its vulnerability to seismic activity and storm events. In addition to the deteriorating physical condition, the bridge lacks shoulders for disabled and emergency vehicles and experiences considerable amounts of congestion.

SR 520 Bridge Replacement Project Planning. Legislation passed during the 2007 session directed the Office of Financial Management to hire a mediator and appropriate planning staff to develop a project impact plan for addressing the impacts of the project design on Seattle city neighborhoods and parks, including the Washington park arboretum, and institutions of higher education. The final project impact plan was provided by the December 1, 2008, delivery date, and identified the three options for the replacement facility that are currently being studied.

Legislation passed during the 2008 session created the SR 520 Tolling Implementation Committee (Committee), consisting of three members, the Puget Sound Regional Council Executive Director, the Secretary of the Washington State Department of Transportation (WSDOT) or his or her designee, and a member of the Washington State Transportation Commission from King County. The Committee was required to evaluate various issues relating to the SR 520 bridge replacement project, including the form the tolling might take, traffic diversion, tolling and traffic management technology, and partnership opportunities, and also was required to survey citizens about the project. A report was delivered from the Committee to the Governor and Legislature in January of 2009.

In that same 2008 legislation, the project design is required to have six total lanes, with four general purpose lanes and two lanes that are for high occupancy vehicle travel and transit. The bridge must also be designed to accommodate effective connections for transit, including high capacity transit, to the light rail station at the University of Washington.

Lake Washington Urban Partnership. In 2007 the WSDOT was awarded a grant from the U.S. Department of Transportation's Congestion Initiative, known as the Lake Washington Urban Partnership. The grant provided $139 million, of which $86 million was provided for active traffic management (such as traveler information and speed harmonization) and variable tolling on the SR 520 bridge. All but $1.6 million of the grant is only accessible once a variable tolling policy has been approved, legal authority exists for tolling to commence, and variable tolling is implemented on the SR 520 bridge project.

Summary: The imposition of tolls on the SR 520 corridor, which is defined as the section of SR 520 between Interstate 5 and SR 202, is authorized. The tolling authority is required to set a schedule of toll rates to maintain travel time, speed, and reliability in the corridor as well as support the issuance of bonds. The tolling authority is allowed to increase the toll rates as necessary to reflect inflation, meet the payments on the bonds, and provide for operations and maintenance of the facility. The expenditure of the proceeds of the bonds is restricted to construction of the replacement floating bridge and necessary landings.

The intent of the Legislature is declared to be that:

- early tolling authorization is provided in order to obtain urban partnership grant funding;
- toll revenues be used to replace the floating bridge;
- the total cost of the corridor not exceed $4.65 billion;
- the tolling policy for the corridor be reconsidered if the tolls on the SR 520 corridor significantly impact the performance of nearby facilities; and
- the WSDOT apply for federal stimulus funds for projects in the corridor.

The SR 520 workgroup is created, which consists of the Secretary of the Washington State Department of Transportation (WSDOT), all the legislators from the 43rd and 48th legislative districts, two legislators from each of the 46th and 45th legislative district, the chairs of the legislative transportation committees, a legislator from the joint transportation committee appointed by each chair, and the transportation committee member from King County. The workgroup must develop a financing plan for the SR 520 corridor that is based on a total cost of $4.65 billion for all the projects in the corridor. The workgroup is also required, while operating in a westside subgroup, to work with the Department of Transportation and community groups to recommend design options for the SR 520 corridor that are in keeping with the current law. The creation of a similar eastside subgroup is allowed, but not required. The recommendations regarding the finance plan

and the design options are both due to the Legislature by January 1, 2010.

The State Route 520 Corridor Account (Account) is created, and all the proceeds of the bonds issued for the construction of the SR 520 corridor, all the tolls generated on the corridor, any interest earned on these funds, the proceeds from the sale of surplus property used for construction on the corridor, and any liquidated damages must be deposited into the Account. These revenues may only be used for purposes consistent with the tolling expenditure guidelines in statute and the repayment of bonds.

Votes on Final Passage:

House	52	46	
Senate	32	16	(Senate amended)
House	52	42	(House concurred)
House	52	43	

Effective: August 1, 2009

SHB 2214
C 124 L 09

Concerning airport operators financing consolidated rental car facilities and common use transportation equipment and facilities.

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

House Committee on Transportation
Senate Committee on Transportation

Background: In 2005 legislation was enacted authorizing municipal airports to levy a customer finance charge (CFC) on rental car patrons at the airport for the purpose of financing the design, construction, and operation of a consolidated rental car facility and common use bus system. Rental car companies would collect the CFC as part of each rental car agreement, and the municipality would use the revenue for the costs associated with the facility, common use busing operations, and the debt service on the bonds used to finance the construction of the facility.

Rental car facilities at the Seattle-Tacoma International Airport (SeaTac) are located at numerous sites near the airport as well as the first two floors of the airport parking garage. The plan is to consolidate the rental car facilities off site and utilize a common use busing system to shuttle passengers between the rental car facility and the airport. The intent is to reduce airport congestion and increase parking space in the airport garage.

In 2008 the Port of Seattle (Port) began construction of a consolidated rental car facility at SeaTac. Construction and operation of the facility is funded with CFCs collected from rental car customers. Project financing (approximately $400 million) was anticipated to be completed with a bond issue in mid-2008, which would be backed by revenues collected from the CFC. Continued construction of the facility required the sale of the bonds. Due to taxable municipal bond markets being affected by the economic downturn, the Port delayed issuing bonds, hoping for an economic recovery. It now finds the bond market unfavorable for bond sales.

Summary: If an airport operator uses its own funds to finance the consolidated car rental and common use facilities, the airport operator is entitled to earn a rate of return on such funds no greater than the interest rate the airport operator would have to pay to finance such a facility in the appropriate capital market.

The airport operator must establish a rate of return in consultation with the rental car companies.

The airport operator may use the funds earned on the money financed for purposes other than those associated with the consolidated rental car facility and common use transportation equipment and facilities.

Votes on Final Passage:

House	94	1
Senate	48	0

Effective: April 17, 2009

ESHB 2222
C 449 L 09

Regarding the conditioning of industrial storm water general discharge permits.

By House Committee on Agriculture & Natural Resources (originally sponsored by Representatives Blake, Kretz, Short, Eddy, Smith, Takko, Hinkle, Hudgins, Springer, Herrera, Morris, Warnick, Williams and Chandler).

House Committee on Agriculture & Natural Resources
Senate Committee on Environment, Water & Energy

Background: The federal Clean Water Act (CWA) establishes the National Pollution Discharge Elimination System (NPDES) permit system to regulate wastewater discharges from point sources to surface waters. The NPDES permits are required for anyone who discharges wastewater to surface waters or who has a significant potential to impact surface waters.

The Department of Ecology (DOE) has been delegated authority by the U.S. Environmental Protection Agency (EPA) to administer the NPDES permits.

In the NPDES permit programs, the DOE issues both individual permits covering single, specific activities or facilities and general permits covering a category of similar dischargers. The NPDES permits include limits on the quantity and concentrations of contaminants that may be discharged. The NPDES permits also may require wastewater treatment or impose operating or other conditions.

Summary: Compliance Dates. By November 1, 2009, the DOE must modify or reissue the industrial storm water general permit to require compliance with appropriately derived numeric water quality-based effluent limitations for existing discharges to impaired water bodies under the

CWA. The industrial storm water general permit must require compliance no later than six months after the permit's effective date. The DOE may establish a compliance schedule for permittees that the DOE determines are unable to comply by the original compliance date, but compliance must occur no later than 24 months, or two complete wet seasons, after the permit's effective date. Before establishing a compliance schedule, the DOE must post on the DOE website the name, location, industrial stormwater permit number, and the reason for requesting the compliance schedule.

Storm Water Technical Resource Center. When funds become available, the DOE, in consultation with an advisory committee, must create a storm water technical resource center in partnership with a university, nonprofit organization, or other public or private entity to provide tools for storm water management. The storm water technical resource center must use its authority to support research, development, technology demonstration, technology transfer, education, outreach, recognition, and training programs.

The DOE, in consultation with an advisory committee, must identify a funding strategy for funding the storm water technical resource center. The DOE must encourage all interested parties to help and support the technical resource center with in-kind services.

The DOE must prepare and submit a biennial progress report on the storm water technical resource center to the Legislature.

Votes on Final Passage:

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

Effective: July 26, 2009

SHB 2223

C 339 L 09

Exempting applicants who operate commercial motor vehicles for agribusiness purposes from certain commercial driver's license requirements.

By House Committee on Transportation (originally sponsored by Representatives Clibborn, Johnson and Morrell).

House Committee on Transportation
Senate Committee on Transportation

Background: The operation of commercial motor vehicles is regulated under both state and federal law. In order to operate a commercial motor vehicle in Washington, a person generally must hold a commercial driver's license with the applicable endorsements for the vehicle he or she is driving. However, this requirement does not apply to the following persons:

- a firefighter or law enforcement officer operating emergency equipment who has completed an approved driver training course;
- the operator of a recreational vehicle used for non-commercial purposes; or
- the operator of a farm vehicle controlled and operated by a farmer. The vehicle itself must also be used to transport agricultural products, farm machinery, or farm supplies to or from a farm. Finally, the vehicle may not be used in the operations of a common or contract motor carrier, and it must be used within 150 miles of the person's farm.

To receive a commercial driver's license from Washington, an applicant must be a resident of the state, pass knowledge and skills tests that comply with minimum federal standards, and successfully complete a course of instruction in the operation of a commercial motor vehicle that has been approved by the Director of the Department of Licensing (DOL) or be certified by an employer as having the skills and training necessary to safely operate a commercial motor vehicle.

The DOL may waive the requirement for instruction in the operation of a commercial motor vehicle for an applicant that has been issued a valid commercial driver's license in another state and is transferring to Washington.

Summary: Applicants for a commercial driver's license who operate a commercial motor vehicle for agribusiness purposes are exempted from the requirement to either successfully complete a course of instruction in the operation of a commercial motor vehicle that has been approved by the Director of the DOL or be certified by an employer as having the skills and training necessary to safely operate a commercial motor vehicle in order to obtain a commercial driver's license. The exemption expires July 1, 2011.

Agribusiness is defined for purposes of this exemption as a private carrier who in the normal course of business primarily transports:

- farm machinery, farm equipment, and other materials used in farming;
- agricultural inputs such as seeds, feed, fertilizers, and crop protection products; or
- unprocessed agricultural commodities, which are defined as plants or parts of plants, animals, or animal products, produced by farmers, ranchers, vineyardists, or orchardists.

A private carrier is defined in statute as a person who transports by his or her own motor vehicle, with or without compensation, property which is owned or is being bought or sold by the person, or property where the person is the seller, purchaser, lessee, or bailee and the transportation is incidental to and in furtherance of some other primary business conducted by the person in good faith.

The Department of Licensing is required to report to the transportation committees of the Legislature by

January 1, 2010, with recommendations regarding the continuation of the exemption created by the act.

Votes on Final Passage:

House	95	1	
Senate	46	0	(Senate amended)
House	94	1	(House concurred)

Effective: July 26, 2009

E2SHB 2227

PARTIAL VETO

C 536 L 09

Enacting the evergreen jobs act.

By House Committee on Education Appropriations (originally sponsored by Representatives Probst, Orwall, Santos, Nelson, Sullivan, Liias, Williams, Carlyle, Maxwell, Conway, Morrell, White, Goodman, Jacks, Kenney and Seaquist).

House Committee on Community & Economic Development & Trade

House Committee on Education Appropriations

Senate Committee on Economic Development, Trade & Innovation

Background: The goal of the Green Economy Jobs Growth Initiative (Green Jobs Initiative) enacted in 2008 was to increase the number of clean energy jobs in the state to 25,000 by 2020. The Green Jobs Initiative required a number of actions by agencies including the Department of Community, Trade and Economic Development (DCTED), the Employment Security Department (ESD), the Workforce Training and Education Coordinating Board (WTB), the State Board for Community and Technical Colleges (SBCTC), the Washington State University Small Business Development Center, the University of Washington Business and Economic Development Center, and the Higher Education Coordinating Board (HECB).

A Green Industries Job Training Account (Account) was created in the State Treasury. Expenditures from the Account may be used only for competitive grants: (1) to train workers for high-wage occupations in high-demand industries related to the green economy; and (2) for educational purposes related to the green economy. The WTB must create and pilot green industry skill panels in order to distribute grants for training workers. The SBCTC may distribute grants for educational purposes when other public or private funds are insufficient or unavailable, including: curriculum development; transitional job strategies for dislocated workers in declining industries; workforce education; and adult basic and remedial education.

During the 2008 interim the DCTED convened a Green Economy Jobs Initiative Advisory Team with representatives from state government, education, labor, business, environmental, and technology stakeholder groups. In February 2009, the DCTED provided the Legislature with a draft report on their work, "Washington State's Green Economy-A Strategic Framework."

Summary: Findings and Intent. The Legislature finds that federal and state policies include new investments in green industry research and development, green energy production incentives, green energy installation, and energy efficiency retrofits. The anticipated increase in demand for green energy will create job opportunities for Washington residents; however, the state and residents may fail to take full advantage of these opportunities if there is a shortage of skilled workers. The Legislature intends that the state create a highly skilled green jobs work force through targeted allocation of existing education and training funds as well as federal appropriations.

Evergreen Jobs Initiative Goals. The Washington state Evergreen Jobs Initiative is established to: (1) create 15,000 new green economy jobs by 2020; (2) target 30 percent of these jobs to veterans, National Guard members, and low-income and disadvantaged populations; (3) coordinate state agencies to secure and deploy federal funds in a focused, effective way; (4) prepare the workforce to take full advantage of green economy job opportunities; (5) attract private sector investment for job creation and expansion; (6) make the state a net exporter of green industry products and services; (7) empower green job recruitment and training by local workforce development councils (WDCs) and associate development organizations (ADOs); (8) capitalize upon existing partnership agreements; and (9) operate according to the 14 guiding principles in the "Green Economy Strategic Framework."

Evergreen Jobs Leadership Team and Its Responsibilities. The DCTED and the WTB must create the Evergreen Jobs Leadership Team (Leadership Team). The Leadership Team will be chaired by the person designated by the Governor as the single point of accountability for energy and climate change initiatives within state agencies. The Leadership Team will include the WTB, the Economic Development Commission (Commission), the SBCTC, the ESD, the Apprenticeship Training Council, the Office of the Superintendent of Public Instruction (SPI), labor, business, at least one representative of a WDC, and other agency representatives as necessary. The Leadership Team's responsibilities are to:

- accelerate and coordinate efforts to identify and secure funding, with a particular emphasis on funds available from the 2009 American Recovery and Reinvestment Act;
- coordinate efforts to ensure federal training and education funds are captured and deployed to support green economy projects at the state and local levels in a time-efficient, user-friendly manner;
- identify emerging technologies and innovations likely to contribute to green economy advancements, including innovation partnership zone activities;

- emphasize, through support and outreach, projects that: have a strong and lasting environmental and economic impact; lead to a domestically or internationally exportable good or service; create training programs leading to a credential, certificate or degree in a green economy field; strengthen the state's competitiveness in a particular green economy sector or cluster; create employment opportunities for veterans, National Guard members, and low-income and disadvantaged populations; comply with prevailing wage provisions; and ensure at least 15 percent of labor hours are performed by apprentices;
- identify and implement strategies to allocate existing and new funding streams to WDCs and ADOs to increase their effectiveness, efficiency, and capacity to respond rapidly and comprehensively to green job attraction opportunities;
- identify strategies to allocate existing and new funding streams for green economy workforce training programs and education that lead to a credential, certificate or degree in a green economy field;
- identify skills and qualifications required to perform energy audits and efficiency services, and must direct education and training resources provided in the appropriations act to establish workforce training and apprenticeship programs to meet the demand for such work;
- develop a logo or sign to indicate funding of projects by the Evergreen Jobs Act;
- develop targeting criteria consistent with the Commission's economic development strategy and other goals in this act;
- make and support outreach efforts to Washington residents, particularly target populations, to increase awareness of educational and employment opportunities;
- identify statewide performance metrics for projects receiving agency assistance; and
- provide semi-annual performance reports to the Governor and appropriate legislative committees.

Agency-specific Responsibilities. The Apprenticeship Council must evaluate the potential of existing programs to produce skilled workers for energy audits and energy efficiency services and deliver its findings to the DCTED, the Leadership Team, and appropriate legislative committees by January 18, 2010.

The SBCTC must work with the Leadership Team, Apprenticeship and Training Council, and SPI to jointly develop, by June 30, 2010, curricula and training programs to develop skills and qualifications for energy audits and efficiency services. The SBCTC must target a portion of any federal stimulus funding to ensure commensurate capacity for high-employer demand programs of study developed. The SBCTC must provide an interim report by December 1, 2011, and a final report by December 1, 2013 on the effectiveness of the curricula.

The Employment Security Department, in consultation with the DCTED, the WTB, and the Leadership Team must biennially conduct and update green economy-related labor market research; propose which industries will be considered high-demand green industries; and define which family-sustaining wage and benefits ranges within green economy industries will be considered middle- or high-wage occupations and career pathways.

The SBCTC, the WTB, and the Apprenticeship Council may give priority to work force training programs that lead to a credential, a certificate, a degree, or an apprenticeship program in green economy jobs. "Prioritization" includes, but is not limited to:

- the use of high employer-demand funding for work force training programs in green economy jobs, defined as primary industries including clean energy, green building, green transportation, the forestry industry, and environmental protection;
- increased outreach in partnership with local work force development councils to public utilities, education, labor, government, and private industry to develop tailored, green job training programs; and
- increased outreach in partnership with local work force development councils to target populations, defined as: veterans, National Guard members, and low-income and disadvantaged populations.

Evergreen Jobs Training Account. The Evergreen Jobs Account (Account) is created in the State Treasury. Funds deposited in the Account may include public or private gifts, grants, or endowments. Moneys in the Account must be used to supplement the state Opportunity Grant Program (Program), but may not be used for student assistance support services available through the Program. The SBCTC, in consultation with the DCTED and the Leadership Team, may authorize expenditures from the Account. The allowable uses of grant funds distributed on a competitive basis by the SBCTC from the Account include: curriculum development; transitional jobs strategies for dislocated workers in declining industries; workforce education to target populations; adult basic and remedial education linked to occupation skills training; and coordinated outreach by higher education institutions and the WDCs.

Other. The Comprehensive Green Economy Jobs Growth Initiative and the Green Industries Jobs Training Account are repealed.

Nothing in this act: requires any agency to get approval from another before allocating funding to the local level; precludes nonstate agencies from applying for federal funding directly; or allows additional reporting or approval processes or imposition of unfunded mandates on local organizations.

Votes on Final Passage:

House	76	19	
Senate	34	14	(Senate amended)
House	76	22	(House concurred)

Effective: July 26, 2009

Partial Veto Summary: The Governor vetoed the eight sections that: provided the findings and intent of the Evergreen Jobs Act; directed creation of the Evergreen Jobs Leadership Team; defined a number of terms; required development of an Evergreen Jobs logo or sign; required Leadership Team actions related to education and training; precluded certain agency actions; repealed sections and added sections to the law.

VETO MESSAGE ON E2SHB 2227

May 18, 2009

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

Ladies and Gentlemen:

I have approved, except for Sections 1, 3, 5, 6, 7, 13, 14 and 16, Engrossed Second Substitute House Bill 2227 entitled:

"AN ACT Relating to green jobs."

The Evergreen Jobs Act is another important step toward Washington's leadership in the emerging green economy.

The bill provides for improved information about employer needs and builds on the Employment Security Department's great effort around defining and forecasting green jobs. The bill promotes the development of green job training programs and more effective utilization of apprenticeships in filling green job employment demands. Finally, the bill creates the Evergreen Jobs Training Account which lays the foundation for future investments in workers and skills in this key segment of the economy.

In addition to these important steps forward, the bill includes some administrative provisions and other requirements that were not funded in the final budget. As a result, the intent sections in Section 1; the leadership team, duties, and related definitions in Sections 3, 5 and 6; requirements around training development that are not consistent with federal timelines in Section 7; and some technical provisions in Sections 13, 14 and 16 are vetoed.

Although the reporting requirements of Section 4 are not being vetoed, they have raised concerns about data availability, duplication of effort, and staff burden. Section 4 is retained with the understanding that the sponsor, the Department, and others will work together to identify appropriate measures and reporting.

Having vetoed the specific requirements around procedures, task forces, and reports, it must be noted that the goal of a more unified strategy for green jobs and some necessary, immediate steps forward are retained from this bill. Although some of the mechanisms in the bill are removed by veto, the state commitment to developing world class curricula and promoting green jobs remains vital and the sections of the Evergreen Jobs Act that are retained are a significant contribution to that effort.

For these reasons, I have vetoed Sections 1, 3, 5, 6, 7, 13, 14 and 16 of Engrossed Second Substitute House Bill 2227.

With the exception of Sections 1, 3, 5, 6, 7, 13, 14, and 16 Engrossed Second Substitute House Bill 2227 is approved.

Respectfully submitted,

Christine O. Gregoire
Governor

EHB 2242

PARTIAL VETO
C 565 L 09

Creating a department of commerce.

By Representatives Kenney, Probst, Maxwell, Hunt, Liias, Ormsby, Kelley, Sullivan, Hasegawa, Quall, White and Chase; by request of Governor Gregoire.

House Committee on Community & Economic Development & Trade
Senate Committee on Economic Development, Trade & Innovation
Senate Committee on Ways & Means

Background: The Department of Community, Trade and Economic Development (DCTED) is an executive branch agency that was created in 1994 through the consolidation of the Department of Community Development and the Department of Trade and Economic Development. The DCTED is responsible for promoting community and economic development statewide by (1) assisting communities to increase economic vitality and the quality of citizen's lives, and (2) assisting the state's businesses to maintain and increase economic competitiveness while maintaining a healthy environment.

Summary: A Department of Commerce (Department) is created. By November 1, 2009, its director must develop a report for the Governor and appropriate legislative committees. This report must include analyses and recommendations for statutory changes that ensure the Department will have: a concise core mission; be aligned with the state's comprehensive economic development plan; be accountable and transparent; leverage state private and federal resources; maximize partnerships and use intermediaries; be focused and flexible in response to changing conditions; and increase local capacity building to respond to opportunities and needs.

The report must include recommendations for creating or consolidating programs important to meeting the Department's core mission, as well as recommendations for terminating or transferring programs that are inconsistent with the core mission.

The Director of the Department must collaborate with the Governor's Office, the Office of Financial Management, the Economic Development Commission, and ten legislative committee chairs and ranking minority members, as well as soliciting input from businesses, employees, economic development practitioners, local governments, planning professionals, community and housing organizations, and other key community and economic development stakeholders.

A number of statutory references to the "Department of Community, Trade and Economic Development" are changed to the "Department of Commerce."

The Code Reviser is directed to prepare legislation for the 2010 session that changes all statutory references from

the "Department of Community, Trade and Economic Development" to the "Department of Commerce."

Votes on Final Passage:

House	96	1	
Senate	47	0	(Senate amended)
House	93	1	(House concurred)

Effective: July 26, 2009

Partial Veto Summary: Vetoes the section that de-codified the State Energy Program statute.

VETO MESSAGE ON EHB 2242

May 19, 2009

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

Ladies and Gentlemen:

I have approved, except for Section 56, Engrossed House Bill 2242 entitled:

"AN ACT Relating to creating a department of commerce."

Section 56 inadvertently removes the State Energy Program from the Revised Code of Washington. De-codifying the Energy Office was not the intent of this executive request legislation. I, therefore, have vetoed Section 56.

For these reasons, I have vetoed Section 56 of Engrossed House Bill 2242. With the exception of Section 56, Engrossed House Bill 2242 is approved.

Respectfully submitted,

Christine O. Gregoire
Governor

ESHB 2245

C 537 L 09

Clarifying public employees' benefits board eligibility.

By House Committee on Ways & Means (originally sponsored by Representative Cody; by request of Governor Gregoire).

House Committee on Ways & Means
Senate Committee on Ways & Means

Background: The Public Employees Benefits Board (PEBB) is an organization within the Health Care Authority (HCA) charged with developing benefits plans, forming benefits contracts, developing participation rules, and approving schedules of rates and premiums for active employee and retired participants. The members of the PEBB vote to approve contracts and benefits for the PEBB program. There are nine members of the PEBB, seven of whom are voting members. All of the PEBB members are appointed by the Governor. Among the types of benefit plans provided to employees and retirees through the PEBB program are health, dental, life, long-term disability, and long-term care insurance.

Most of the criteria for benefits eligibility are laid out in administrative rules rather than in statute. The PEBB may not adopt eligibility criteria that are substantially different from those that were in place as of January 1, 1993. State agencies are required to fully cooperate with the HCA to allow the employee benefits offered by the PEBB to be administered effectively, and are required to report all data relating to employee eligibility to participate in a form determined by the HCA.

Summary: The PEBB is authorized to design benefits and to determine the criteria for eligibility for those benefits, unless those terms are specified in a collective bargaining agreement negotiated under the terms of the Personnel System Reform Act of 2002. The prohibition on the adoption by the PEBB of eligibility standards substantially different from those effective as of January 1, 1993, is removed. Alternative restrictions are placed on the eligibility standards that the PEBB may adopt for various types of employees. While detailed requirements vary depending on circumstances of employment, employee eligibility standards may be generalized as follows:

- Faculty members at institutions of higher education who are expected to work half-time over a period of at least nine months are eligible for benefits for the entire instructional year.
- Seasonal employees who are expected to work half-time or more, as defined by the PEBB, in each month of the applicable work season are eligible for the benefits for the season of employment.
- An elected or appointed official of the executive, legislative, or judicial branch of state government is eligible for benefits as of the beginning of his or her term of office or the date that he or she takes the oath of office.

Most other employees are eligible for benefits if it is anticipated that they will work 80 hours or more, for more than six consecutive months. If an employee does not work half-time or more in each of six consecutive months, but averages 80 hours or more per month over the six-month period and works at least eight hours in each month, then he or she becomes eligible for benefits at the end of the six-month period. Half-time for community and technical college faculty is equivalent to the "part-time academic workload" definition in existing statute.

The HCA may delegate to employing agencies the task of determining individual employees' eligibility for benefits. Any determination as to whether or not an employee is eligible for benefits is subject to periodic review. Provisions are established for revising the eligibility for benefits of employees whose actual hours of employment differ from expected levels.

The HCA may use eligibility criteria other than those adopted by the PEBB when contracting to provide benefits for employees of a local government entity, school district, educational service district, or tribal government. In addition, the HCA may charge school districts and educational service districts that purchase employee benefits through

the PEBB program on a school-year basis rather than a fiscal-year basis.

An employee determined to be eligible for benefits prior to January 1, 2010, will not have his or her eligibility terminated due to the new criteria established by the act.

Votes on Final Passage:

House	97	0	
Senate	43	0	

Effective: January 1, 2010

ESHB 2254

C 499 L 09

Concerning construction financing for colleges and universities.

By House Committee on Capital Budget (originally sponsored by Representatives White, Dunshee and Kenney; by request of Office of Financial Management).

House Committee on Capital Budget
Senate Committee on Ways & Means

Background: By statute, students attending state colleges may be charged tuition that includes fees for athletics, clean energy, bus passes, health, technology, services and activities, operating, and building fees. The building fee is between 3 and 5 percent of total tuition costs at the four year institutions and 9.89 percent at the community and technical colleges. Statute limits increases in tuition to 7 percent of the previous year until the 2016-17 academic year.

Allowable uses of the building fees are payment for debt service on outstanding bonds issued for college buildings and deposit into the Institutions' Building or Capital Accounts (Accounts). The Accounts are appropriated and are used for small construction projects.

A Certificate of Participation (COP) is a type of security sold through the State Treasurer's office for a particular purpose and backed by any component of fees and revenues the university derived from its ownership and operation of its facilities. All COPs must be authorized in the state capital budget and, once authorized, the institution is allowed to begin the construction or purchase process.

The University of Washington and Washington State University have authority to issue bonds, but cannot use the Building Account for debt service.

The enacted 2009-11 state capital budget includes projects that are financed with COPs and use building fees for debt service, and projects that are financed with university issued bonds backed by the building accounts.

Summary: The Building Account or Capital Account may be used for debt service payments on higher education projects that use Certificates of Participation for construction projects approved by the Legislature, and the University of Washington and Washington State University may also use the Building Account for bond debt service on projects approved by the Legislature.

Votes on Final Passage:

House	60	36	
Senate	48	0	(Senate amended)
House	64	32	House concurred)

Effective: July 26, 2009

ESHB 2261

PARTIAL VETO
C 548 L 09

Concerning the state's education system.

By House Committee on Education Appropriations (originally sponsored by Representatives Sullivan, Priest, Hunter, Anderson, Maxwell, White, Quall, Liias, Dammeier, Rodne, Wallace, Pedersen, Kelley, Goodman, Springer, Hope, Nelson, Miloscia, Carlyle, Hunt, Morris, Morrell, Probst, Pettigrew, Eddy, Simpson, Kenney, Moeller, Smith, Condotta, McCoy, Kagi, Chase, Rolfes, Clibborn, Ormsby, Haler and Cox).

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

Background: Introduction. *Basic Education*. Article IX, Sections 1 and 2 of the State Constitution declare that: (1) it is the paramount duty of the state to make ample provision for the education of the state's children; and (2) the Legislature is required to provide for a general and uniform system of public schools.

In response to a superior court ruling which held that the state had not expressly defined, determined the substantive content of, or funded a Program of Basic Education (School Funding I), the Legislature adopted the Basic Education Act (BEA) of 1977. Subsequent court decisions (School Funding II in 1983 and *Tunstall v Bergeson* in 2000) have held that other educational programs are also part of the state's constitutional obligations, including:

- Special Education programs for students with disabilities;
- Transitional Bilingual education programs;
- remediation assistance programs (now known as the Learning Assistance Program);
- transportation for some students; and
- education for students in residential programs and juvenile detention and for juveniles detained in adult correctional facilities.

Through this combination of statutory law and judicial decisions, these programs have come to be collectively referred to as "Basic Education," signifying a constitutional

obligation by the state under Article IX to provide for the programs.

The courts have also established various principles that are associated with the Basic Education designation. For example, under the School Funding II superior court ruling, once the Legislature has defined and fully funded the Program of Basic Education, it may not reduce that level of funding, even in periods of fiscal crisis. However, the definitions and funding formulas are subject to review, evaluation, and revision by the Legislature to meet the current needs of the children in the state.

Joint Task Force on Basic Education Finance. In 2007 the Legislature established the Joint Task Force on Basic Education Finance (Task Force). The Task Force was charged with reviewing the definition of Basic Education, developing options for a new funding structure and funding formulas, and proposing a new definition of Basic Education that was realigned with the expectations for the state's public education system. The Task Force's final report was issued on January 14, 2009.

Program of Basic Education. *Definition*. The 1977 BEA defines the Program of Basic Education as:

- the goal of the school system, which includes providing students the opportunity to develop essential knowledge and skills in various subjects;
- the Instructional Program to be made available by school districts; and
- the determination and distribution of state funding to support the Instructional Program.

Instructional Program. School districts must: make the Instructional Program accessible to all students aged 5 to 21; offer a district-wide average of 1,000 instructional hours in grades 1 through 12 and 450 hours for kindergarten; provide a minimum school year of 180 days; and provide instruction in the Essential Academic Learning Requirements. In addition, each school district must maintain a ratio of at least 46 Basic Education certificated instructional staff (CIS) for each 1,000 full-time equivalent (FTE) students. The CIS includes teachers, counselors, nurses, librarians, and other school staff required to have state certificates.

In 2007 legislation was enacted to phase-in the provision of full-day kindergarten, starting with schools with the highest number of low-income students. This expansion is expressly outside the definition of Basic Education.

Funding Allocation for Instructional Program. The distribution formulas for the Instructional Program are based primarily on staffing ratios that drive an allocation for each 1,000 FTE students. There are minimum staffing ratios for CIS, administrative staff, and classified staff, with the numeric ratios set forth in statute. The formulas must also recognize non-salary costs. The formulas are "for allocation purposes only," leaving it to school districts to determine how best to use the resources. The remaining detail of the funding and distribution formulas, including any enhancements beyond the statutory minimums, are found in the state appropriations act and associated documents.

Categorical Programs. State funding for the Learning Assistance Program (LAP) and the Transitional Bilingual Instruction Program (TBIP) must be expended on the students to be served in the program. A statute directs that funding for the LAP be based on the income level of students; otherwise, the funding formulas for these programs are contained in the state appropriations act.

Special Education for students with disabilities is funded on an "excess cost" basis. The formula, which appears in the state appropriations act, is a percentage (1.15 percent for children aged birth to five who are not in kindergarten and .9309 for students in grades kindergarten through 12) of the Instructional Program allocation. The allocation is based on a maximum of 12.7 percent of total FTE student enrollment in grades kindergarten through 12. The state appropriations act also establishes a Special Education Safety Net where funds are made available for safety net awards for school districts with demonstrated needs for special education funding beyond the amounts provided through the excess cost allocation.

Other Programs. *Early Learning*. State and federally-supported preschool programs are overseen by the Department of Early Learning (DEL). The Legislature provides funding to support the Early Childhood Education and Assistance Program, which is similar to the federally funded Headstart program. The programs are delivered under contract with the DEL, and providers include school districts, Educational Service Districts, community colleges, and non-profit community organizations. Early Learning has not been considered part of Basic Education.

Graduation Requirements. Minimum high school graduation requirements are established by the State Board of Education (SBE) and include 19 course credits with a distribution of courses across subject areas. In 2008 the SBE adopted a policy framework for new graduation requirements called "Core 24" that is based 24 course credits. The SBE has also adopted a definition of a meaningful high school diploma: the opportunity for students to graduate from high school ready for success in postsecondary education, gainful employment, and citizenship.

Highly Capable. The courts have previously declined to include supplemental instruction for highly capable (gifted) students under the Program of Basic Education. The statutes for the Highly Capable Program say that state funds, if provided, are to be based on a per-student amount not to exceed 3 percent of a district's FTE student enrollment. The 2007-09 appropriations act allocates funding at 2.314 percent of FTE enrollment.

Pupil Transportation. The pupil transportation funding formula is intended to fund the costs of transportation of eligible students to and from school at 100 percent or as close as reasonably possible. The formula calculates costs based on a radius mile for each student transported, adjusted by various factors. A study in 2006 by the Joint Legislative Audit and Review Committee found a 95 percent

probability that "to and from" pupil transportation expenditures exceeded the state allocation by between $92 and $114 million in the 2004-05 school year.

In 2007 the Legislature directed the Office of Financial Management to contract for a study recommending two alternative student transportation funding formula options. The final report was presented to the Legislature in December 2008.

Other Topics. *Certification*. The Professional Educator Standards Board (PESB) establishes state certification requirements for teachers and other educators. There are two levels of state certification: residency and professional. To receive a residency certificate, teachers must complete an approved program offered through a College of Education. In 2007 the Legislature directed the PESB to implement a uniform and externally administered assessment of teaching skill for professional certification by 2010.

Compensation. State allocations for salaries for CIS are provided through a salary schedule adopted by the Legislature in the state appropriations act. The schedule is based on years of experience and academic degrees and credits attained by the individual. Since 1993 the Legislature has provided funding for Learning Improvement Days (LID) through the salary allocation schedule. The state appropriations act requires school districts to add the LID to the 180-day contract year to be eligible for the funds and limits their use to specific activities identified in a school improvement plan.

Local Funding. The School Funding I decision found that local voter-approved property tax levies may only be used to fund enrichment programs and programs outside the Program of Basic Education. The Levy Lid Act (enacted along with the BEA) limits the amount of revenue that can be raised through maintenance and operations levies. The Local Effort Assistance program (LEA) or levy equalization was created to mitigate the effect that above-average property tax rates might have on the ability of a school district to raise local revenues through voter-approved levies. The LEA is also expressly not part of Basic Education.

Education Data. Since 2002, the Office of Superintendent of Public Instruction (OSPI) has been developing a data system that assigns each student a unique student identification number and collects demographic and other information. In 2007 the Legislature directed the OSPI to establish standards for school data systems and a reporting format for school districts. A new student data system will be implemented statewide in 2008-09 with increased capacity to collect data and connect information from other data bases.

In 2007 an Education Research and Data Center (Data Center) was created within the Office of Financial Management. The purpose of the Data Center is to serve as a hub for data originating from the various education sectors: early learning, K-12, two- and four-year higher education, and workforce training and employment.

Accountability. The SBE has responsibility for implementing a statewide accountability system that includes identification of successful schools and districts, those in need of assistance, and those in which state intervention measures are needed. For the past two years, the SBE has been working on accountability, and on January 15, 2009, it adopted a resolution to develop an accountability index, work to build the capacity of districts to help their schools improve, establish a process for placing schools and districts on Academic Watch, and continue to refine the details of the accountability system.

Summary: Introduction. *Intent*. The Legislature intends to continue to review, evaluate, and revise the definition and funding of Basic Education in order to continue to fulfill the state's obligation under Article IX of the State Constitution. For practical and educational reasons, major changes in the program and funding cannot occur instantaneously. The Legislature intends to develop a realistic implementation strategy and establish a formal structure for monitoring the implementation of an evolving Program of Basic Education and the financing necessary to support it. The Legislature intends that the redefined Program of Basic Education and funding be fully implemented by 2018. It is the Legislature's intent that the policies and formulas under the bill will constitute the Legislature's definition of Basic Education once fully implemented.

Quality Education Council. A Quality Education Council (QEC) is created to recommend and inform ongoing implementation of an evolving definition of Basic Education. Members include eight legislators and representatives of the Governor's Office, the State Board of Education (SBE), the Superintendent of Public Instruction (SPI), the Professional Educator Standards Board (PESB), and the Department of Early Learning (DEL).

The QEC develops strategic recommendations on the Program of Basic Education, taking into consideration the capacity of the education system and the progress of implementing data systems. Recommendations are intended to inform educational policy and funding decisions, identify measurable goals and priorities for a ten-year time period, and enable continuing implementation of an evolving program. The QEC makes a report to the Legislature by January 1, 2010, including recommendations for resolving issues or decisions requiring legislative action during the 2010 legislative session. The QEC's first report also includes:

- a recommended schedule for concurrent phase-in of any changes in the Basic Education Program and funding with full implementation to be completed by September 1, 2018;
- a recommended schedule for phasing-in implementation of the new pupil transportation funding formula beginning in 2013;
- consideration of a statewide mentoring program; and

- recommendations for a Program of Early Learning for at-risk children.

The QEC is staffed by the Office of the Superintendent of Public Instruction (OSPI) and the Office of Financial Management (OFM). After 2009, the QEC meets no more than four times per year.

Program of Basic Education. *Definition*. Effective September 1, 2011, the Program of Basic Education that complies with Article IX of the State Constitution is defined as:

- the Instructional Program of Basic Education provided by public schools;
- the program for students in residential schools and juvenile detention facilities;
- the program for individuals under age 18 who are in adult correctional facilities; and
- transportation and transportation services to and from school for eligible students.

The Program of Basic Education also includes the opportunity for students to develop the knowledge and skills necessary to meet graduation requirements, intended to allow them the opportunity to graduate with a meaningful high school diploma, that prepares them for postsecondary education, gainful employment, and citizenship.

Instructional Program. Also effective September 1, 2011, the minimum Instructional Program of Basic Education offered by school districts is as follows:

- 180 school days per school year, with 180 half-days for kindergarten, which is increased to 180 full days beginning with schools with the highest percentages of low-income students;
- a district-wide average of 1,000 instructional hours across all grade levels, to be increased according to an implementation schedule adopted by the Legislature to 1,080 hours in grades 7 through 12 and 1,000 instructional hours in grades 1 through 6; and
- 450 instructional hours in kindergarten, to be increased to 1,000 hours as full-day kindergarten is phased-in.

The Instructional Program also includes the opportunity for students to complete 24 credits for high school graduation, subject to a phase-in of course and credit requirements by the Legislature; supplemental instruction through the Learning Assistance Program (LAP), the Transitional Bilingual Instructional Program (TBIP), and the Highly Capable Program; and Special Education for students with disabilities.

Funding Allocation for Instructional Program. Beginning September 1, 2011, a new distribution formula is created for the allocation of state funds to school districts to support the Instructional Program of Basic Education, to be implemented to the extent the technical details of the formula have been adopted by the Legislature. The formula is for allocation purposes only. Nothing requires a particular teacher-to-student ratio or requires use of allocated funds to pay for particular types or classifications of staff.

The formula is based on minimum staffing and nonstaff costs to support prototypical schools. Prototypes 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. Allocations to school districts will be adjusted from the prototypes based on actual full-time equivalent (FTE) student enrollment in each grade in each school in the district, adjusted for small schools and to reflect other factors in the state appropriations act.

The school prototypes are defined as:

- High school: 600 FTE students in grades 9 through 12;
- Middle school: 432 FTE students in grades 7 and 8; and
- Elementary school: 400 FTE students in grades kindergarten through 6.

For each school prototype, the core allocation consists of four parts:

1. *Class Size:* an allocation based on the number of FTE teachers calculated using the following factors: the minimum instructional hours required for the grade span, one teacher planning period per day, and average class sizes of various types as specified in the state appropriations act;
2. *Other Building Staff:* an allocation for principals, teacher-librarians, student health services, guidance counselors, professional development coaches, teaching assistance, office and technology support, custodians, and classified staff providing student/staff safety;
3. *Maintenance, Supplies, and Operating Costs (MSOC):* a per-FTE student allocation for student technology, utilities, curriculum, instructional professional development, other building costs, and central office administration. The allocation will be enhanced for student enrollment in certain career and technical education and science courses; and
4. *Central Office Administrative Staff*: a staffing allocation calculated as a percentage of the allocations for teachers and other building staff for all schools in the district, with the percentage specified in the state appropriations act.

Allocations for middle and high schools that are based on the number of low-income students will be adjusted to reflect underreporting of eligibility for Free and Reduced Price Lunch (FRL) among these students.

Categorical Programs. Within the distribution formula for the Instructional Program of Basic Education are

enhancements in addition to the core allocation for the following categorical programs:

1. *Learning Assistance Program*: an enhancement based on the percent of FRL students in each school to provide an extended school day and school year, plus an allocation for MSOC;
2. *Transitional Bilingual Instruction Program*: an enhancement for students eligible for and enrolled in the TBIP based on the percent of the school day a student is assumed to receive supplemental instruction, plus an allocation for MSOC;
3. *Highly Capable Program:* an enhancement based on 2.314 percent of each district's FTE student enrollment to provide an extended school day and school year, plus an allocation for MSOC; and
4. *Special Education:* an enhancement made on an excess cost basis that is a specified percentage (1.15 percent for students aged birth to five who are not in kindergarten and .9309 for students in grades kindergarten through 12) of the core allocation for basic class size, other building staff, and MSOC. The excess cost allocation is based on district-wide enrollment not to exceed 12.7 percent of total FTE enrollment in grades kindergarten through 12.

The Special Education Safety Net is placed into statute. Clarifications and corrections are made to other statutes to align with the new distribution formulas.

Finance Working Group. The OFM, with assistance from the SPI, convenes a technical working group to develop the new funding formulas and propose an implementation schedule for concurrent phase-in of increased program requirements and increased funding. The working group also examines possible sources of revenue to support increased funding and presents options to the Legislature and the QEC. The working group submits its recommendations to the Legislature by December 1, 2009.

System Capacity. The OSPI must make biennial determinations of the education system's capacity to accommodate increased resources and report to the Legislature. "System capacity" includes capital facilities, qualified staff and the higher education system's capacity to prepare them, and data and data systems capable of helping the state allocate resources.

Other Programs. *Early Learning Working Group*. The Legislature finds that disadvantaged young children need supplemental instruction in preschool to assure they have the opportunity to meaningfully participate and reach the necessary levels of achievement in the regular Program of Basic Education. The Legislature intends to establish a Program of Early Learning for at-risk children and intends to include it within the overall Program of Basic Education.

The OSPI, with assistance from the DEL, convene a technical working group to continue developing a proposal for a statewide Washington Head Start Program. The working group:

- recommends eligibility criteria focusing on children aged 3 and 4 considered most at-risk;
- develops options for a mixed service delivery system;
- develops options for shared governance including the DEL and the SPI;
- recommends parameters and minimum standards; and
- continues development of a statewide kindergarten assessment process.

The working group submits progress reports to the QEC by September 1, 2010, and September 1, 2011, with a final report due by September 1, 2012.

Graduation Requirements. The SBE must forward any proposed changes to minimum high school graduation requirements to the legislative education committees and the QEC, and the Legislature must be provided an opportunity to act before changes are adopted. Changes with a fiscal impact on school districts take effect only if formally authorized and funded by the Legislature.

Highly Capable. The Legislature finds that, for highly capable students, access to accelerated learning and enhanced instruction is access to a Basic Education. The Legislature does not intend to prescribe a single method to identify highly capable students. Instead, the Legislature intends to allocate funding based on 2.314 percent of each school district's population and authorize districts to identify through multiple, objective criteria those students eligible to receive accelerated learning and enhanced instruction through the Highly Capable Program of the district. Access to the Highly Capable Program does not constitute an individual entitlement for any particular student. A Safety Net process is created for districts with demonstrated needs for funding for Highly Capable Programs beyond amounts provided in the formula.

Pupil Transportation. A new pupil transportation funding formula is authorized using a regression analysis to allocate funds to school districts. The funding basis of a radius mile is removed. Ridership counts are increased to three times per year, and extended academic day transportation is included within allowable trips. Implementation of the formula is phased-in beginning with the 2013-14 school year, and a method of allocating any increased funding during the phase in period is specified.

Efficiency reporting also begins in the 2013-14 school year. Individual reviews will be conducted on districts with 90 percent or less efficiency. A report summarizing the efficiency reviews and resulting changes made by districts must be submitted to the Legislature by December 1 of each year.

Other Topics. *Certification*. By January 1, 2010, the PESB must adopt articulated standards for effective teaching that are evidence-based, measurable, associated with improved student learning, and calibrated on a career

continuum. To the extent possible, the PESB must incorporate standards for cultural competency.

Also by January 1, 2010, the PESB must:

- adopt a definition of "master teacher," consistent with and including certification by the National Board for Professional Teaching Standards;
- submit an update on implementation of the uniform external assessment for professional certification;
- develop a proposal for a uniform classroom-based means of evaluating teacher effectiveness at preservice, to be used during student teaching. The assessment must include a common and standardized rubric for determining performance and use multiple measures of classroom performance, artifacts, and student work. The proposal must establish a timeline for when the assessment would be required, taking into account the capacity of the education system to accommodate a new assessment;
- recommend the length of time that a residency certificate is valid and the time period for professional certification; and
- estimate the costs and authority needed to implement these provisions.

Beginning no earlier than September 1, 2011, professional certification will be based on two years of successful teaching experience and the results of the external assessment, and may not require candidates to enroll in a professional certification program. Beginning July 1, 2011, residency certificate programs must demonstrate how the program produces effective teachers.

Compensation Working Group. The OFM, with assistance from the OSPI, convenes a working group beginning July 1, 2011, to recommend the details of an enhanced salary allocation model that aligns educator certification with the compensation system. Recommendations from the working group must include:

- reducing the number of tiers in the salary allocation model;
- accounting for geographic and labor market adjustments;
- the role and types of bonuses;
- accomplishing salary equalization over a set period of years; and
- fiscal estimates to implement the recommendations, including permanently grandfathering current staff on the current schedule.

The working group must also conduct or contract for a comparative labor market analysis of salaries and other compensation for specified groups of educators and school staff. The working group makes an initial report to the Legislature by December 1, 2012.

A statute regarding LID is amended so that school districts are eligible to receive funding that is limited to specific activities related to student learning.

Local Funding Working Group. The Legislature finds that the value of permitting local levies to support public schools must be balanced with the value of equity and fairness to students and taxpayers. Local finance through levies and the LEA are key components of the overall system of financing public schools even though they are outside the definition of Basic Education. The OFM, with assistance from the OSPI, convenes a working group beginning July 1, 2010, to develop options for a new system of supplemental funding through local school levies and the LEA. The working group must recommend a phase-in plan that ensures no school district suffers a decrease in funding from one year to the next due to implementation of the new system. A report to the Legislature is due December 1, 2011.

Education Data Improvement System. It is the Legislature's intent to establish a comprehensive K-12 data improvement system for financial, student, and educator data. The objective of the system is outlined. It is the further intent to provide independent review and evaluation of the system by the OFM Data Center.

It is the Legislature's intent that the K-12 data improvement system include the following:

- comprehensive educator and student information, with numerous variables specified;
- capacity to link educator assignment and certification information, and educator information with student information;
- common coding of courses and major areas of study;
- a common, standardized structure for reporting the costs of programs;
- separate accounting of state, federal, and local revenues and costs;
- information linking state funding formulas to school district budgeting and accounting;
- information that is centrally accessible and updated regularly; and
- an anonymous copy of data that is updated at least quarterly and made available to the public.

To the extent data is available, the OSPI must make various specified reports available on the Internet, which must be run on-demand against current data or run on the most recent data. The reports include: various measures of spending per student and by student, estimated according to a specified algorithm; improvement on statewide assessments, computed as specified; and various calculations of student to teacher ratios.

A K-12 Data Governance Group (Governance Group) is established within the OSPI to:

- create a comprehensive needs requirement document detailing the specific information and technical

capacity needed by districts to meet the Legislature's expectations for a K-12 data improvement system;
- conduct a gap analysis of current and planned information;
- focus on financial and cost data necessary to support new K-12 financial models and on assuring the capacity to link data across systems;
- define the operating rules and governance structure for K-12 data collection, as specified; and
- establish minimum standards for K-12 data systems, as specified.

The OSPI must submit a preliminary report to the Legislature by November 15, 2009, and a final report by September 1, 2010.

The Data Center must identify critical research and policy questions and the data needed to address them. Annually, the Data Center provides a list of data elements and quality improvements to the Governance Group. Within three months of receiving the list, the Governance Group returns a feasibility analysis, and the Data Center submits a recommendation to the Legislature for any statutory changes or financial resources needed to collect or improve the data. The Data Center and the OSPI must take all actions necessary to secure federal funds to implement these provisions.

Shared Accountability. The Legislature finds that comprehensive finance reform must be accompanied by a new mechanism for defining relationships and expectations for the state, school districts, and schools. The Legislature intends to develop a proactive, collaborative system in which the state and school districts share accountability for supporting continuous improvement and achieving state standards.

The SBE is directed to continue development of an accountability framework that creates a unified system of support for schools. The SBE must develop an accountability index based on student growth using fair, consistent, transparent criteria and multiple indicators including graduation rates and assessment results. Once the index has identified schools needing assistance, a more thorough analysis will be done that includes examination of state resources, achievement gaps, and community support.

Based on the accountability index and in consultation with the OSPI, the SBE must develop a proposal and timeline for implementing a comprehensive system of voluntary support and assistance, taking into account the capacity limitations of the K-12 system. The proposal and timeline must be submitted to the Legislature for review before being implemented, and changes with a fiscal impact on school districts take effect only if authorized by the Legislature.

The SBE also develops a proposal and timeline for a more formalized comprehensive system targeted to those that have not demonstrated improvement in a voluntary system and also taking into account the capacity limitations of the K-12 system. The proposal takes effect only if formally authorized by the Legislature and includes:
- an academic performance audit conducted by peer review teams;
- corrective action plans, which would be developed by local school boards, be subject to approval by the SBE, and become binding on the school districts; and
- monitoring of district progress by the OSPI.

The SBE must work with the Data Center and the Funding Working Group to: determine the feasibility of using the prototypical school funding model as a reporting tool; seek federal approval to use the state accountability system for federal accountability purposes; and submit proposals and timelines to the Legislature by December 1, 2009.

Votes on Final Passage:

House	71	26	
Senate	26	23	(Senate amended)
House	67	31	(House concurred)

Effective: July 26, 2009
May 19, 2009 (Section 112)
September 1, 2011 (Sections 101-110 and 701-710)
September 1, 2013 (Sections 304-311)

Partial Veto Summary: A section was vetoed that declared legislative intent to establish a Program of Early Learning for at-risk children to be included within the overall Program of Basic Education. The section also directed the DEL and the OSPI to convene a technical working group to develop a proposal for the Program of Early Learning and established reporting timelines. A section was also vetoed that established a Safety Net process for school districts with demonstrated needs for funding for the Highly Capable Program beyond amounts provide in the funding formula.

VETO MESSAGE ON ESHB 2261

May 19, 2009

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

Ladies and Gentlemen:

I have approved, except for Sections 115 and 709, Engrossed Substitute House Bill 2261 entitled:

"AN ACT Relating to education."

In this legislation a number of programs and formulae are to be developed to expand our state's definition of basic education.

Section 115 initiates the development of an early learning program for at-risk three- and four-year olds. The bill indicates that this program is to become part of the definition of basic education. If early childhood education is to become part of our definition of basic education it cannot be made available only to at-risk children. I am deeply and personally committed to providing quality early learning programs for all of our children and will continue to work to develop an early learning program worthy of our earliest learners. I am asking Superintendent of Public Instruction Randy Dorn and Department of Early Learning Director Betty Hyde to work together to bring a proposal forward that ensures all Washington children have the benefit of early childhood education.

One of the several tasks in Engrossed Substitute House Bill 2261 is the creation of funding formulas to support the program

components of a new definition of basic education and to develop a timeline for the implementation of the funding formulas along with programmatic changes. Section 709 requires the state to provide a safety net of resources for students identified by school districts as meeting local requirements for participation in a highly capable program, but for which the allocation does not provide enough support.

Section 709 is not necessary because Section 708 of the bill makes it clear that the highly capable program is not intended to be an entitlement to individual students. This section also has two troubling features: First, local school districts make the determination as to the qualifications for their highly capable programs and the types of programs offered, and by this language locally defined costs are forwarded to the state for payment without regard to other basic education program or other funding needs. Second, the state is required to provide a highly capable program safety net.

As the basic education definition evolves in this legislation, the timeline for implementation of various programs and formulae is left to the Quality Education Council. This specific provision makes the highly capable program the first task for funding, in essence prioritizing this program over all other aspects of basic education funding under consideration. Much work is left to be done to establish standards, guidelines and definitions for what constitutes a highly capable program and what the funding level should be for such a program.

For these reasons I am vetoing Sections 115 and 709 of Engrossed Substitute House Bill 2261.

With the exception of Sections 115 and 709, Engrossed Substitute House Bill 2261 is approved.

Respectfully submitted,

Christine O. Gregoire
Governor

EHB 2279

C 214 L 09

Addressing the offense of assault of a child in the first degree by requiring the review of the sentencing of offenders and modifying the conditions of release.

By Representatives Hurst, Hope, Dunshee, Kelley and Roach.

House Committee on Public Safety & Emergency Preparedness
Senate Committee on Judiciary

Background: Assault in the First Degree. The crime of Assault in the first degree occurs when a person, with intent to inflict great bodily harm:

- assaults another with a firearm, deadly weapon, or by any force or means likely to produce great bodily harm or death;
- administers, exposes, or transmits poison, human immunodeficiency virus (HIV), or any other destructive or noxious substance; or
- assaults another and inflicts great bodily harm.

A person commits Assault of a Child in the first degree if the offender is over the age of 18 years old and he or she:

- commits assault in the first degree against a child under the age of 13; or
- intentionally assaults a child under the age of 13 by: (1) recklessly inflicting great bodily harm to the child; or (2) causing substantial bodily harm to the child, and has previously engaged in a pattern or practice of abuse of a child.

"Substantial bodily harm" is defined as bodily injury that involves a temporary but substantial disfigurement, or that causes a temporary but substantial loss or impairment of the function of any body part or organ, or that causes a fracture of any body part or organ.

"Great bodily harm" is defined as bodily injury which creates a probability of death, or which causes significant serious permanent disfigurement, or which causes a significant permanent loss or impairment of the functions of any bodily part or organ.

The crime of Assault of a Child in the first degree is a serious violent offense that is classified as a seriousness level XII, class A felony offense under the Sentencing Reform Act. A first-time offender with no previous criminal history would receive a sentence of 93 - 123 months in prison. A person convicted of a serious violent offense is limited to having his or her sentence reduced by no more than 10 percent via earned release time (good time). As a class A felony offense, the crime of Assault of a Child is also a strike under Washington's "Three Strikes and You're Out" law where a persistent offender is subject to a sentence of life in prison without the possibility of parole.

The crime of Assault of a Child is also considered a "crime against persons." If a crime is designated as a crime against persons, additional restrictions may be imposed on the convicted person at sentencing. Such restrictions include that the convicted person cannot have his or her record of conviction cleared, cannot qualify to earn up to 50 percent of earned release time, and may be subject to a mandatory term of community custody.

Community Custody. "Community custody" means that portion of an offender's sentence of confinement served in the community subject to controls placed on the offender's movement and activities by the Department of Corrections (DOC). While on community custody, offenders are subject to a variety of conditions. For example, unless waived by the court, the terms of an offender's community custody must include:

- reporting to a community corrections officer;
- working at or devoting time to a DOC approved education, employment, or community restitution;
- refraining from possessing or consuming controlled substances;
- paying supervision fees; and
- obtaining prior DOC approval for residence location and living arrangements.

In addition, the court may impose a variety of conditions of community custody, including:

- remaining within, or outside of, specified geographical boundaries;
- refraining from contacting the victim or a specified class of individuals;
- participating in counseling;
- refraining from consuming alcohol; or
- complying with crime-related conditions.

The DOC is also authorized to impose conditions of community custody as long as they do not conflict with any court-ordered conditions.

Sentencing Guidelines Commission. The Sentencing Guidelines Commission (Commission) is a state agency created by the Legislature in 1981 as part of the Sentencing Reform Act. The Commission serves as an independent body to develop criminal sentencing guidelines and standards for recommendation to the Legislature. The Commission's responsibilities include:

- serving as a clearinghouse and information center on adult and juvenile sentencing;
- conducting ongoing research on sentencing and related issues; and
- evaluating state sentencing policies with the goal of achieving consistencies between sentencing ranges and standards for the multitude of offenses defined in state law.

The Commission consists of 20 voting members, 16 of whom are appointed by the Governor. The appointed members include: four superior court judges, two defense attorneys, two prosecutors, four citizens, the chief of a local law enforcement agency, one county elected official, one city elected official, and one administrator of juvenile court services. There are four ex-officio voting members: the Secretary of the Department of Corrections, the Director of the Office of Financial Management, the Chair of the Indeterminate Sentence Review Board, and the head of the state agency (or his or her designee) having responsibility for juvenile corrections programs. Four legislators are appointed by the leadership of the House of Representatives and the Senate and serve as non-voting members.

Summary: This act is known as the Eryk Woodruff Public Safety Act of 2009.

Community Custody. As a condition of community custody, the court must prohibit an offender sentenced for Assault of a Child in the first degree from serving in any paid or volunteer capacity where he or she has control or supervision of children under the age of 13.

Sentencing Guidelines Commission. The Commission must study the crime of Assault of a Child in the first degree. As part of the study, the Commission must consider whether the current statutory sentence for Assault of a Child in the first degree should be revised while taking into account the following factors:

- the use of advisory sentencing guidelines for Assault of a Child in the first degree;
- the modification of the mandatory minimum term of confinement for an offender convicted of Assault of a Child in the first degree;
- the statutory provisions surrounding earned early release for an offender convicted of Assault of a Child in the first degree;
- the restructuring or adjusting of community custody conditions for offenders convicted of Assault of a Child in the first degree;
- the use of determinate plus sentencing that provides for a minimum and a maximum term of confinement for an offender convicted of Assault of a Child in the first degree; and
- the fiscal impact of any proposed recommendations.

The Commission must submit its findings and recommendations to the appropriate committees of the Legislature by December 31, 2009.

Votes on Final Passage:

House	96	0
Senate	42	0

Effective: August 1, 2009

EHB 2285

C 237 L 09

Addressing the formation of local improvement districts and utility local improvement districts comprised of property in more than one city or town.

By Representatives Flannigan and Simpson.

House Committee on Transportation
Senate Committee on Government Operations & Elections

Background: Cities and towns are authorized to finance a wide variety of public improvements with local improvement districts and utility local improvement districts (LIDs or districts), and may form districts that are composed, entirely or in part, of areas outside of the city's or town's corporate limits.

The costs of a LID may be paid, entirely or in part, through special assessments levied against property that is specially benefited by the proposed improvements.

The determination of whether an improvement confers special benefits to a property is made by comparing the fair market values of the property before and after the improvements are made. Once it is determined that a property is specially benefited, any LID assessment must be logically related to, and may not exceed, the special benefit amount.

A LID may be created either through a resolution passed by the governing body of the city or town, or by the petition of property owners within the proposed district. Cities are not required to obtain the permission of benefited property owners in order to make the improvements

and impose assessments; however, cities must provide adequate notice to affected properties so that the property owners may challenge the amount, existence, or character of the assessments before they become final. A city's or town's authority to proceed with a LID initiated by a resolution may be divested if a protest is timely filed by property owners representing those owners in the district that are subject to 60 percent or more of the total cost of the improvement. Property owners who file timely objections are entitled to appeal the decision of the legislative authority.

Summary: With the approval of the legislative authority of the adjoining city or town, cities and towns are authorized to form LIDs for transportation and infrastructure purposes, that are composed of areas located, entirely or in part, within the adjoining city's or town's boundaries.

Votes on Final Passage:

House	70	26	
Senate	31	14	

Effective: April 25, 2009

SHB 2287

C 356 L 09

Concerning paper conservation.

By House Committee on Ways & Means (originally sponsored by Representatives Kessler and Van De Wege).

House Committee on Ways & Means
Senate Committee on Government Operations & Elections

Background: The Department of General Administration (Department) oversees the state recycled content standards for several types of products, including paper. The Department was directed to implement a plan for state agencies to increase their recycled content product purchases during in the late 1990s. In the plan, a graduated increase in purchases of recycled content paper was required and the State Printer was also assigned specific percentage purchase requirements for recycled content paper.

Summary: Each state agency, by July 1, 2010, is required to develop and implement a paper conservation program with a goal of at least a 30 percent reduction in current paper use, and a paper recycling program to encourage recycling of all paper products with the goal of recycling 100 percent of all copy and printing paper in all buildings with 25 employees or more.

The definition of state agency includes but is not limited to: colleges, universities, offices of elected and appointed officers, the Supreme Court, the Court of Appeals, and administrative departments of state government.

By December 31, 2009, all state agencies must purchase 100 percent recycled content white cut sheet bond paper used in office printers and copiers.

State agencies that utilize office printers and copiers that, after reasonable attempts, cannot be calibrated to utilize such paper must purchase paper at the highest recycled content that can be utilized efficiently by the copier or printer. At the time of lease renewal or at the end of the life-cycle of a printer or copier, state agencies are directed to either lease or purchase a model that will efficiently utilize 100 percent recycled content white cut sheet bond paper.

Print projects that require the use of high volume production inserters or high speed digital devices are not required to meet the 100 percent recycled content standard but must utilize the highest recycled content that can be utilized efficiently.

Votes on Final Passage:

House	96	0	
Senate	47	1	(Senate amended)
House	98	0	(House concurred)

Effective: July 26, 2009

ESHB 2289

C 451 L 09

Expanding the energy freedom program.

By House Committee on Capital Budget (originally sponsored by Representative McCoy).

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

Background: Legislation enacted in 2006 established the Energy Freedom Program (Program) and the Energy Freedom Account in the Washington State Department of Agriculture to develop a viable biofuel industry to promote public research and development in biofuel sources and markets, and to support a viable agriculture industry to grow biofuel crops. In 2007 responsibility for the Program and the Energy Freedom Account was transferred to the Department of Community, Trade and Economic Development (DCTED) and the Green Energy Incentive Account was created within the Energy Freedom Account.

The Program provides financial and technical assistance to cities, counties, ports, special purpose districts, and other political subdivisions of the state, as well as federally recognized tribes, and state institutions of higher education for the types of projects listed below. Under the Program, a project may receive up to $5 million from the Energy Freedom Account as long as the support constitutes no more than 50 percent of the total project costs. The following are the criteria for selecting projects:

- conversion of farm products, wastes, cellulose, or biogas directly into electricity, biofuel, or other coproducts;
- technical feasibility and assistance in moving commercially viable projects into the marketplace;

- use of feedstocks produced in the state;
- increased energy independence or diversity;
- production of long-term economic benefits, including new jobs, job retention, or higher incomes; and
- options for the state to purchase a portion of the fuel or feedstock produced by the project.

Appropriations made to the Green Energy Incentive Account are dedicated for refueling station development, plug-in hybrid pilot projects, and hydrogen vehicle demonstration projects.

Summary: The Energy Freedom Program (Program) is expanded to receive federal funds and to accelerate energy efficiency improvements, renewable energy improvements, and deployment of innovative energy technologies.

Financial assistance may be provided to the state, political subdivisions of the state, federally recognized Indian tribes, nonprofit 501(c)(3) organizations, and private entities that are eligible to receive federal funding.

The definitions of energy efficiency improvements, innovative energy technology, and renewable energy improvements are added to the Program. Energy efficiency improvements means an installation or modification designed to reduce energy consumption. The definition includes: insulation; storm windows and doors; automatic energy control systems; heating, ventilating, or air conditioning and distribution systems; caulking and weather stripping; energy recovery systems; geothermal heat pumps; and daylighting systems. Innovative energy technology means: a smart grid or smart metering; biogas from landfills, wastewater treatment plants, anaerobic digesters, or other processes; fuel cells; high efficiency cogenerating; and energy storage systems. Renewable energy improvements means a fixture, product, system, device, or interacting group of devices that produces energy from renewable sources. It includes photovoltaic systems, solar thermal systems, small wind systems, biomass systems, and geothermal systems.

The definition of project is expanded to include energy efficiency improvements, renewable energy improvements, innovative energy technologies, and clean energy projects identified by the Clean Energy Council (Council) (established in Chapter 318, laws of 2009).

The Council is added to the list of agencies that the director of CTED must consult with when renaming applications for funding.

When reviewing applications for energy efficiency improvements, renewable energy improvements, or innovative energy technology, applicants may be awarded grants or loans if the project or program:

- will result in increased access to energy efficiency improvements, renewable energy improvements, or innovative energy technologies;
- demonstrates technical feasibility and assists in moving a project into the marketplace for use by Washington citizens;
- does not require continued state support; or
- the federal government has provided funds with a limited time frame for use.

The director of the Department of Community, Trade and Economic Development (CTED) must appoint a coordinator that is responsible for coordinating state efforts to promote biofuels, energy efficiency, renewable energy, and innovative energy technology markets in the state.

The Energy Recovery Act Account (Account) is created as an appropriated account in the State Treasury. State and federal funds may be deposited into the Account, and the Account will retain interest earned on the Account. Any loan payments or principal and interest derived from loans made from the Account must be deposited into the Account. Funds may be used for loans, loan guarantees, and grants that encourage the establishment of innovative and sustainable industries for renewable energy and energy efficiency technology. The director of CTED must establish policies for funding projects and must consider the clean energy leadership strategy in developing these policies.

If the requests for funding exceed the amount of funds available in the Energy Freedom Account, applications must be prioritized based on several criteria, including the extent to which the project will establish a viable energy efficiency, renewable energy, or innovative energy technology industry in the state.

Votes on Final Passage:

House	88	7	
Senate	45	0	(Senate amended)
House	92	4	(House concurred)

Effective: May 11, 2009
July 1, 2009 (Section 8)

EHB 2299
C 533 L 09

Concerning formation, operation, and nonstate funding of public facilities districts.

By Representatives Klippert, Driscoll, Haler, Kenney and Grant-Herriot.

House Committee on Finance
Senate Committee on Government Operations & Elections

Background: A Public Facilities District (PFD) is a municipal corporation with independent taxing authority and is a taxing district under the State Constitution. A PFD may be created by either a city or a county. City PFDs may develop and operate regional centers. A regional center is a convention, conference, or special events center, or any combination, constructed, improved, or rehabilitated at a cost of at least $10 million. A special events center is a facility, available to the public, used for community events, sporting events, trade shows, and artistic, musical,

theatrical, or other cultural exhibitions, presentations, or performances.

County PFDs may develop and operate sports facilities, entertainment facilities, convention facilities, and regional centers. Districts formed after January 1, 2000, may develop and operate recreational facilities other than ski areas.

A PFD is governed by an appointed board of directors with varying composition and appointing authority.

A PFD may impose a variety of taxes to fund its regional facilities. For example, a PFD may levy an admissions tax not exceeding 5 percent, a vehicle parking tax not exceeding 10 percent, and a voter-approved 0.2 percent sales tax, as well as a voter-approved 2 percent lodging tax for a county PFD.

Summary: Certain contiguous groups of cities or their counties may form an additional PFD, if one or more of the entities had previously formed a PFD. Such PFDs must be comprised of a minimum of two legislative authorities, up to a maximum of three contiguous cities, either separately or in combination with a maximum of two contiguous counties. Any existing PFD within the same geographic boundaries maintains its full corporate existence and activities notwithstanding the newly formed PFD.

This new PFD may acquire, construct, own, remodel, maintain, equip, re-equip, repair, finance, and operate one or more recreational facilities other than a ski area. The new PDFs must create a competitive solicitation process for personal service contracts of $150,000 or more.

The new PFDs may be governed and operated by a board of directors using the already established method of seven board members, or by a new method of up to nine board members. Membership on boards with nine members must be divided evenly between the legislative authorities that created the PFD. If an even number of legislative authorities creates a PFD, an additional board member must be appointed by the members.

If more than one PFD exists within the same geographic boundaries, the new PFD may not impose a voter-approved sales or use tax at a rate that exceeds 0.2 percent minus the rate of the highest tax already authorized by any other PFD within its boundaries.

In addition, any PDF that imposes a voter-approved sales or use tax is responsible for the payment of any costs incurred for the purpose of imposition or administering the provisions of the tax.

Votes on Final Passage:

House	93	3	
Senate	47	0	(Senate amended)
House	93	2	(House concurred)

Effective: July 26, 2009

HB 2313

C 452 L 09

Extending the length of farm vehicle permits.

By Representatives Grant-Herriot, Cox, Ericks, Schmick, Driscoll, Walsh, Short, Kretz, McCune, Linville, Van De Wege, Nelson, Green, Liias, Blake, Darneille, Sells, Wallace, Simpson, Eddy, Carlyle, White, Williams, McCoy, Orwall, Moeller, Chase, Hurst, Hunter, Rolfes, Finn, Sullivan, Springer, Jacks, Kelley, Seaquist, Clibborn, Probst, Cody, Hasegawa, Hudgins, Roberts, Kessler, Ormsby, O'Brien, Dickerson, Takko, Kenney, Morrell, Santos, Hunt, Miloscia and Goodman.

Senate Committee on Transportation

Background: Owners of farm vehicles where the gross vehicle weight for a combination vehicle that does not exceed 80,000 pounds or 40,000 pounds for a single unit vehicle may operate these vehicles using a trip permit. Each farm vehicle trip permit is authorized for the period that is remaining in the calendar month of license. No more than four permits are allowed for any one vehicle in any 12-month period. The fee for each farm permit is $6.25 and is sold by the Department of Licensing's agents or subagents.

Summary: A farm trip permit is valid for 30 days starting with day of first use.

Votes on Final Passage:

House	96	1	
Senate	46	0	(Senate amended)
House	97	0	(House concurred)

Effective: July 26, 2009

ESHB 2327

PARTIAL VETO

C 518 L 09

Eliminating or reducing the frequency of reports prepared by state agencies.

By House Committee on Ways & Means (originally sponsored by Representatives Linville and Ericks; by request of Office of Financial Management).

House Committee on Ways & Means
Senate Committee on Ways & Means

Background: State law requires state agencies to submit reports to the Governor and the Legislature on the progress, status, or effectiveness of various programs. Many of these reports are submitted annually or on a regular basis, while others may be a one-time requirement to complete a study and make recommendations.

Summary: Eighteen reports are eliminated and 12 reports are required to be submitted biennially, rather than annually, as follows.

The following reports are eliminated:

Reports by the Department of Financial Institutions.

- Review of the number and type of consumer complaints from residential mortgage lending.
- Review of the activity of the mortgage lending fraud prosecution account.

Reports by the Fish and Wildlife Department.

- Salmon recovery expenditures (submitted by the Salmon Recovery Funding Board).

Reports by the Department of Health.

- Yearly report prepared by independent entity for the Department of Health regarding: adverse events and incidents reported by medical facilities; patient safety trends; recommendations for statutory/regulatory changes; and consumer education information regarding medical facilities efforts on patient safety.
- State plan and yearly progress on state asthma plan.
- Distribution of funds to local health jurisdictions.

Reports by the Office of Financial Management.

- Fee and expense report on civil actions against agencies.
- Evaluation of the savings incentive account, including impact on agency reversions and expenditure patterns, and itemization of agency expenditures.
- Annual maintenance reports including the number, size, and condition of state owned facilities; facility maintenance, repair, and operating expenses; condition of major infrastructure systems.

Reports by the Recreation and Conservation Funding Board.

- Acquisitions and development projects funded by the board.

Reports by the Department of Social and Health Services.

- Declined acceptance of child custody from law enforcement agency, including dates, places, and reasons why custody was declined.
- Progress and barriers of the immigrant naturalization facilitation effort.
- Status of the Washington Telephone Assistance Program.
- Outcome measures for WorkFirst Program.

Reports by the Washington State Patrol.

- Performance measurements and objectives of the task force on missing and exploited children and accomplishments of the task force.
- Uniformity of state and federal regulations regarding transportation of hazardous materials.
- State fire protection.

Reports by the Washington Tourism Commission.

- Tourism development program and financial benefits to state.

The following reports are changed from annual to biennial reports:

Community Economic Revitalization Board.

- Review of revenues received by local governments and dedicated to public improvements projects; names of businesses locating within the revenue development area as a result of improvement projects; number of permanent jobs created; and average wages and benefits of employees.

Community, Trade and Economic Development.

- Performance results of contracts with county-designated associate development organizations.
- Public Works Board summary of low interest emergency loans to local governments for emergency public works projects and for preconstruction activities on public works projects before legislative approval.
- Assessment of state's performance in furthering goals of state 10-year homeless housing strategic plan.
- Children of Incarcerated Parents Advisory Committee update on committee activities.
- Summary of previous year's bond allocation requests and issuance.
- Annual survey of the motion picture competitiveness program.

Reports by the Department of Financial Institutions.

- Summary of the conditions of banks, savings banks, foreign bank branches, etc.; list of those organized or closed during the year; and other information as advisable.

Reports by the Health Professions Disciplining Authority.

- Summary of proceedings during past year concerning complaints made, investigated, and adjudicated, and manner of disposition.

Reports by the State Board of Health.

- Recommendations for public health priorities.

Reports by the Office of Financial Management.

- Status of the energy freedom program.

Washington Tourism Commission.

- Tourism development program and financial benefits to state.

Reports required to be submitted to the Legislature must be provided only in electronic format to the Chief Clerk of the House of Representatives (Chief Clerk) and the Secretary of the Senate (Secretary). Entities submitting a report must send the appropriate legislative committee notification, also by electronic means, that the report has been filed. The Chief Clerk and the Secretary shall provide an online site for reports on the legislative Internet home page.

All annual and biennial reports to the Governor must be provided only in electronic format.

Entities submitting electronic reports to the Governor or the Legislature may provide paper copies if requested.

Votes on Final Passage:

House	97	0	
Senate	46	1	(Senate amended)
House	94	0	(House concurred)

Effective: July 26, 2009

Partial Veto Summary: The requirement for an annual report prepared by an independent entity for the Department of Health is retained. The report includes adverse events and incidents reported by medical facilities; patient safety trends; recommendations for statutory/regulatory changes; and consumer education information regarding facilities efforts on patient safety.

VETO MESSAGE ON ESHB 2327

May 15, 2009

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

Ladies and Gentlemen:

I have approved, except for Section 7, Engrossed Substitute House Bill 2327 entitled:

"AN ACT Relating to eliminating or reducing the frequency of reports prepared by state agencies."

Section 7 of Engrossed Substitute House Bill 2327 conflicts with Section 13 of Substitute Senate Bill 6171 that I signed on May 14, 2009. Section 7 eliminates a report on adverse events and incidents at medical facilities because there is no funding for this task. However, Section 13 of Substitute Senate Bill 6171 clarifies that this report is contingent on available funding.

For this reason, I have vetoed Section 7 of Engrossed Substitute House Bill 2327.

With the exception of Section 7, Engrossed Substitute House Bill 2327 is approved.

Respectfully submitted,

Christine O. Gregoire
Governor

HB 2328

C 294 L 09

Reducing the administrative cost of state government.

By Representatives Linville and Ericks; by request of Office of Financial Management.

House Committee on Ways & Means
Senate Committee on Ways & Means

Background: The programs and functions of state government are administered by numerous state agencies and institutions, the costs of which are appropriated by the Legislature. These administrative costs include expenditures for salaries, wages, equipment, personal services contracts, and state employee travel and training. The salaries and wages of state employees in positions that are classified under the State Civil Service Act are subject to collective bargaining agreements. The salaries and wages of other non-elected employees are determined by their employing agency, the Governor, or the Department of Personnel.

In September and November 2008, the State Economic and Revenue Forecast Council reported sharp deteriorations in economic conditions in both the nation and the state, resulting in significant downturns in state revenue collections. In August 2008, the Governor requested that state agencies reduce administrative expenses by freezing the hiring of new employees, non-emergency out-of-state travel, discretionary purchases of new equipment, and the signing of non-emergency personal services contracts, with some exceptions.

In February 2009, Engrossed Substitute Senate Bill (ESSB) 5460 was enacted, relating to reducing the administrative cost of state government for the 2007-09 and 2009-11 fiscal biennia. Among the measures taken to reduce legislative, executive, and judicial branches costs were:

- restricting state agencies from establishing new positions or filling vacancies through July 1, 2009;
- restricting state agencies from entering into personal services contracts not related to emergencies requiring government action to protect public safety through July 1, 2009;
- restricting state agencies' equipment purchases over $5,000 not related to emergencies requiring government action to protect public safety through July 1, 2009; and
- restricting state agencies' travel and training expenditures through July 1, 2009.

Various exceptions were provided for each of the restrictions in ESSB 5460.

Summary: The following exceptions are added to the restrictions on legislative, executive, and judicial branch state agency activities restricted by ESSB 5460 effective through July 1, 2009:

- Restrictions on state agencies' establishment of new positions or filling vacancies through July 1, 2009, do not apply to positions that are filled by enrolled students at institutions of higher education as student workers, positions in campus police and security, positions related to emergency management and response, and positions related to student health care and counseling.
- Restrictions on state agencies from entering into personal services contracts not related to emergencies requiring government action to protect public safety through July 1, 2009, do not apply to contracts related to hearing officers related to real estate appraisals or habitat assessments, carrying out court orders, or contracts related to information technology contracts for Information Services Board-approved projects, or

contracts related to Judicial Information systems projects.

- Restrictions on state agencies' equipment purchases over $5,000 not related to emergencies requiring government action to protect public safety through July 1, 2009, do not apply to equipment purchases that are funded exclusively from private or federal grants or for equipment necessary to complete a project funded in the state capital or transportation budgets, or the operational divisions of the Department of Information Services, or related to the maintenance of existing computer software and hardware, or for costs related to the Judicial Information System.
- Restrictions on state agencies' travel and training expenditures through July 1, 2009, do not apply to costs related to carrying out a court order, to travel by air into Washington from any airport located in a contiguous state of which the largest city is part of a metropolitan statistical area with a city located in Washington, or to motor vehicle and parking costs for single day travel to a contiguous state or British Columbia, Canada.

The requirement is removed that exceptions to the various restrictions granted by the Director of the Office of Financial Management are delayed in taking effect until no sooner than five business days following notification of the Chairs and Ranking Minority Members of the Ways and Means Committees of the House of Representatives and the Senate.

Notwithstanding the restrictions of ESSB 5460, institutions of higher education may grant wage or salary increases to critical academic personnel as needed for retention purposes, or for additional academic responsibilities during the summer quarter.

A new chapter is created in the Revised Code of Washington (Labor Regulations) that requires the Department of Personnel to adopt rules to provide allowances for training opportunities for employees with sensory disabilities necessary to obtain new service animals. These training programs must be treated by agencies in the same manner as training to improve job performance. Employees must provide notice to employers of up to 30 days prior to the training, if the training will require the employee to miss work, and if the timing is foreseeable.

Votes on Final Passage:

House	98	0	
Senate	47	0	(Senate amended)
House	94	0	(House concurred)

Effective: April 30, 2009

HB 2331

C 462 L 09

Concerning the existing document recording fee for services for the homeless.

By Representatives Darneille, Dickerson, Pettigrew, Kenney, Williams, Simpson, Nelson and Ormsby.

House Committee on Ways & Means
Senate Committee on Ways & Means

Background: Duties and Authority of County Auditors. The county auditor is responsible for the recording of specified documents required by law to be maintained as part of the public record kept by a county. The documents that must be recorded by a county auditor include judgments, liens, deeds, mortgages, and many other categories of documents pertaining to property ownership and real estate transactions.

State law specifies requirements that must be met by an auditor when exercising his or her recording duties, including the collection of specified fees when a document is recorded. These fees include certain surcharges used for the funding of state and local programs to provide affordable housing for low income persons and housing assistance for the homeless. Among the housing programs funded by the surcharge is the Homeless Housing and Assistance Act.

Homeless Housing and Assistance Act. The Legislature enacted the Homeless Housing and Assistance Act in 2005, the goal of which was to reduce homelessness by 50 percent statewide and in each county by 2015. Thirty-seven counties participate in this program, as do many cities and the state, through the Department of Community, Trade and Economic Development (Department). The state and local programs are funded by a $10 surcharge on documents recorded by the county auditor. In 2007 the legislature authorized an additional $8 surcharge for the program.

The revenues generated by both surcharges are distributed to participating counties and cities, as well as the Department. That portion of the funds allocated to the Department are deposited into an account known as the Home Security Fund (Fund), which is administered by the State Treasurer. The Department uses this Fund to administer the program statewide and to fund and administer the Homeless Grant Assistance Program, which provides additional funds for specific county homeless programs. Counties and cities use their surcharge-derived funding for purposes outlined in their local homeless housing plans.

The initial $10 surcharge authorized in 2005 under the Homeless Housing and Assistance Act is distributed as follows:

- the county auditor retains 2 percent;
- 60 percent of the remaining funds are allocated to the participating county of origin;

- any city which assumes responsibility for reducing homelessness within its boundaries receives a percentage of the surcharge equal to the percentage of the city's local portion of the real estate excise tax; and
- the remaining monies are remitted to the Department and deposited into the Fund.

Summary: The document recording surcharge collected by county auditors under the Homeless Housing and Assistance Act of 2005 is increased from $10 to $30.

Votes on Final Passage:

House	51	44	
Senate	25	24	(Senate amended)
House	50	44	(House concurred)

Effective: July 26, 2009

SHB 2339
C 512 L 09

Requiring the department of licensing to collect a donation to benefit the state parks system as part of motor vehicle registration unless a vehicle owner opts not to provide a donation.

By House Committee on Ways & Means (originally sponsored by Representatives Kessler, Seaquist, Roberts, Williams, Simpson, Nelson, Ormsby, Dunshee, Goodman, Pedersen, Cody, Hasegawa, Kirby, Maxwell, Upthegrove, Finn, Eddy, Hunt, Orwall, Rolfes, Morrell, Kenney, Clibborn, Morris, Green, Kagi, Chase, Sells, Wood, Flannigan, Ericks, McCoy, Campbell, Appleton, Pettigrew, White, Blake, Linville, Wallace, Conway, Carlyle, Miloscia, Takko, O'Brien, Hurst and Van De Wege).

House Committee on Ways & Means
Senate Committee on Ways & Means

Background: Most motor vehicles in the state are required to be registered with the Department of Licensing (DOL). Vehicle registrations must be renewed annually with the DOL, during which time the owner of the vehicle has the option to make a $5 donation to the State Parks and Recreation Commission (Commission). The owner of the vehicle must actively choose to add a donation onto the vehicle registration renewal.

All donations collected through vehicle registration renewals are deposited into the State Parks Renewal and Stewardship Account (Account). This Account may be used to operate state parks, develop and renovate park facilities, undertake deferred maintenance, and accomplish other park purposes.

Summary: The DOL is directed to collect a donation of $5 for the state park system from all vehicle owners during vehicle registration renewals coming due on or after September 1, 2009. The donation to the state parks system may not be collected from any vehicle owner who indicates, at the time of vehicle registration renewal, that he or she intends not to participate in the donation program.

Votes on Final Passage:

House	56	42
Senate	32	16

Effective: July 26, 2009

SHB 2341
C 568 L 09

Modifying the basic health plan program.

By House Committee on Ways & Means (originally sponsored by Representatives Cody and Kelley).

House Committee on Ways & Means
Senate Committee on Ways & Means

Background: The Health Care Authority (Authority) administers the Basic Health Plan (BHP), which is a health care insurance program for low-income Washington residents. The BHP assists enrollees by providing a state subsidy to offset the costs of premiums. The BHP has approximately 100,000 subsidized enrollees statewide.

Residents of Washington with an income of less than 200 percent of federal poverty level are eligible for enrollment in the BHP. In addition, the enrollee must not be: (1) eligible for Medicare; (2) institutionalized; or (3) in school on a temporary work visa.

The BHP offers general health care services, including physician services, inpatient and outpatient hospital services, prescription drugs, and medications. In addition, the BHP provides coverage for chemical dependency services, mental health services, and organ transplant services; however, these services may not exceed 5 percent of the value of the benefit package.

Enrollees in the BHP are required to contribute to the cost of enrollment in the health care plan through premiums. The premiums are established on a sliding scale according to the enrollee's income level. Providers and other organizations may sponsor enrollees through the payment of their premiums. Enrollees make other contributions in the form of co-pays, deductibles, and co-insurance.

Summary: Individuals who are receiving medical assistance through the Department of Social and Health Services (DSHS) are not eligible for subsidized coverage under the Basic Health Plan (BHP).

The limitation of chemical dependency services, mental health services, and organ transplant services to a combined maximum limit of 5 percent of the value of the BHP benefit package is eliminated.

The Health Care Authority (Authority) must encourage enrollees who have been continuously enrolled in the BHP for at least one year to complete a health risk assessment and participate in programs to improve health status,

such as wellness, smoking cessation, and chronic disease management programs.

The Authority is authorized to disenroll subsidized enrollees to prevent overexpenditure of the BHP. The Authority must establish criteria for selecting individuals to disenroll which may include the amount of time that an individual has been continually enrolled on the BHP, the individual's income level, or the individual's eligibility for other coverage. Prior to disenrolling an enrollee, the Authority must attempt to identify enrollees who are eligible for other coverage and assist in transitioning those who are eligible for coverage through medical assistance. The criteria must also address circumstances for allowing individuals who have been disenrolled to reapply.

The situations under which the Authority must implement a self-insured coverage system for subsidized BHP enrollees are removed and the Authority is permitted to establish a self-insurance system, at its discretion, as long as there is sufficient funding in the BHP Self-Insurance Reserve Account.

The BHP is exempt from insurance requirements to cover the full difference between the enrollee's coverage and other coverage available to the enrollee. Managed health care systems participating in the BHP are required to determine whether an enrollee has other insurance coverage and report to the Authority on their coordination of benefits activities.

The Authority is authorized to collect voluntary contributions from state employees through payroll deductions to be used to maintain enrollment in the BHP. Contributions are to be made in $15, $30, and $50 amounts each month or in other amounts as determined by the Authority.

The requirements that the Authority and the DSHS report each year on the employment status of BHP enrollees are suspended until November 2012.

Votes on Final Passage:

House	89	9	
Senate	30	13	(Senate amended)
House	86	7	(House concurred)

Effective: July 26, 2009
May 19, 2009 (Section 3)

SHB 2343

C 539 L 09

Achieving savings in education programs.

By House Committee on Ways & Means (originally sponsored by Representative Haigh).

House Committee on Ways & Means
Senate Committee on Ways & Means

Background: Diagnostic Assessment Tools. In the 2007-09 State Operating Budget, funding was provided to make diagnostic assessments in reading, writing, mathematics, and science in elementary, middle, and high school grades available to school districts. The budget provided $4.9 million to support two forms of diagnostic tools: (1) the development and implementation of classroom-based diagnostic assessments and progress monitoring tools for all subject areas included in the Washington Assessment of Student Learning (WASL), and (2) allocations to school districts to purchase diagnostic tools which supplemented the progress monitoring tools developed by the Office of the Superintendent of Public Instruction (OSPI).

Diagnostic assessments are distinguished from standardized assessments in that they emphasize formative rather than summative information about student progress. They typically provide information to educators more quickly than a standardized assessment, and are often used to make mid-course modifications in instruction and identify specific subject-area strands where students are struggling.

Classified Staff Training. The Paraprofessional Training Program has provided professional development to paraeducators statewide since 1999. Training is provided at the district and regional levels to address time, budget, and geographic travel constraints of school districts and paraeducators. The funding supports grants to all of the Educational Service Districts (ESDs) to provide the regional paraeducator training opportunities. The fiscal year 2008 appropriation for this program was $548,000. All nine ESDs are participate in the program. The professional development opportunities are designed to prepare paraeducators to assist certified teachers in the classroom, and includes content on the following topics: (1) reading and literacy; (2) mathematics; (3) behavior management; (4) autism; (5) English Language Learners; and (6) student motivation.

Professional Development Programs. The OSPI must create partnerships with ESDs and institutions of higher education to develop and deliver professional development learning opportunities for educators that fulfill the goals of a statute that pertains to the expected outcomes of Learning Improvement Days.

Career and Technical Student Organizations. The state provides funding to the OSPI to assist with statewide coordination of a variety of career and technical student organizations (CTSOs). These organizations include Future Farmers of America (FFA); Skills USA-VICA; Future Business Leaders of America (FBLA); Washington State DECA – an Association of Marketing Students; and Family, Career, and Community Leaders of America (FCCLA). This funding level provides about $20,000 to each CTSO for statewide coordination expenses.

National Board Bonus Inflationary Increases. Teachers in Washington who earn certification through the National Board for Professional Teaching Standards (NBPTS) are eligible for two bonuses above their base teacher salary. A base bonus of $5,000 for NBPTS-certified teachers was established beginning in the 2007-2008

school year and, by statute, is to be adjusted for inflation every year thereafter. Additionally, NBPTS-certified teachers are also eligible for an additional $5,000 bonus if they work in a high poverty school, which is defined as an elementary school with a free or reduced priced lunch eligibility rate exceeding 70 percent of enrollment, a middle school rate exceeding 60 percent of enrollment, and a high school rate exceeding 50 percent of enrollment.

Teacher Mentorship and Assistance Activities. The Teacher Assistance (Peer Mentoring) Program (TAP) provides beginning educators with mentoring support as they acclimate to the profession. The program is designed to improve the retention of new teachers in the teaching profession. The program provides a variety of services and supports to new teachers, including: (1) orientation to school and district culture and professional expectations; (2) mentorship from veteran teachers or educational staff associates; (3) release time for the mentor to observe and provide feedback to the mentee; (4) professional development on topics relevant to the needs of beginning teachers, such as classroom management, and tailoring instruction to specialized populations of students; and (5) assistance in developing a professional growth plan.

An amount of $2.348 million was allocated for fiscal year 2009 in the operating budget. During the 2007-08 school year, according to the OSPI, 2,745 beginning teachers received assistance from the Teacher Assistance Program.

Summary: The OSPI's duty to implement several K-12 programs is made subject to available funding. The affected programs are:

- diagnostic assessments tools;
- classified staff training;
- certain professional development programs established in statute;
- adjustments to national board certification bonuses for the 2009-11 biennium; and
- certain teacher mentorship and assistance activities required by statute.

The inflationary adjustments to the base national board bonuses must be made up by the beginning of the 2014-2015 school year, so that the bonus amounts in that school year are what they would have been if the inflationary adjustments had not been temporarily suspended.

Votes on Final Passage:

House	77	21
Senate	28	20

Effective: July 1, 2009

ESHB 2344

C 540 L 09

Regarding resident undergraduate tuition.

By House Committee on Ways & Means (originally sponsored by Representative Haigh).

House Committee on Ways & Means
Senate Committee on Ways & Means

Background: Tuition Setting Authority. Since the 1999-2000 academic year, governing boards of each institution of higher education and the State Board for Community and Technical Colleges are granted authority to increase tuition rates for resident undergraduate students within caps set by the Legislature in the budget act. Previously, the Legislature set tuition in statute as dollar amounts for each public institution. Since 1999-2000, legislative authorized levels of tuition have varied.

Academic Year	Authorized Resident Undergraduate Tuition Increases
1999-2000	4.6%
2000-2001	3.6%
2001-02	6.7%
2002-03	
Research	16.0%
Regional	14.0%
Community & Technical Colleges	12.0%
2003-04	7.0%
2004-05	7.0%
2005-06 & 2006-07	
Research	7.0%
Regional	6.0%
Community & Technical Colleges	5.0%
2007-08 & 2008-09	
Research	7.0%
Regional	5.0%
Community & Technical Colleges	2.0%

Tuition amounts (or percentage increases) specified in statute have referred only to the "tuition" portion of tuition and fees. Public colleges and universities are authorized to assess additional fees – such as services and activities fees and technology fees – within statutory limits.

State Funding Goals and Washington Learns. Legislation enacted in 2005 created a comprehensive education and finance study covering early learning, K-12, and higher education. This effort, known as Washington Learns, comprised a steering committee chaired by the Governor and advisory committees for each education sector. The steering and advisory committees were directed to: conduct a comprehensive study of early learning, K-12, and higher education; develop recommendations on how the state can best provide stable funding for early learning,

public schools, and public colleges and universities; and to develop recommendations on specified policy issues. The Washington Learns Final Report, a culmination of the 18-month study, was completed in November 2006.

Many of the recommendations from the Washington Learns report were included in Second Substitute Senate Bill 5806 (2SSB 5806), which passed the Legislature in 2007. One of the components of 2SSB 5806 capped tuition increases for resident students at 7 percent per year between the 2007-08 academic year and the 2016-17 academic year. The legislation also specified a goal that total per-student funding levels (from state appropriations plus tuition and fees) would be at least the 60 percentile of total per-student funding at similar institutions in the Global Challenge States. In defining comparable per-student funding levels, the Office of Financial Management (OFM) was required to adjust for regional cost-of-living differences, for differences in program offerings and the relative mix of lower division, upper division, and graduate students, and for accounting and reporting differences among the comparison institutions.

Summary: During academic years 2009-10 and 2010-11, the state may increase tuition above the 7 percent cap. Institutions of higher education are required to notify students of tax credits available through the American Opportunity Tax Credit. The Higher Education Coordinating Board is to convene a group of stakeholders to examine tuition policy including an examination of high tuition, high aid model, differential tuition based on income and other potential state tuition policies. A report is due to the Legislature by November 1, 2009, and is to include the merits of the policies based on administrative feasibility, interactions with federal programs, and impacts on students.

The Joint Legislative Audit Review Committee (JLARC) must complete a systemic performance audit of the public baccalaureate institutions. The purpose of the audit is to create a transparent link between revenues, expenditures, and performance outcomes as outlined in performance agreements and the strategic master plan for higher education. The JLARC must report findings and recommendations to the appropriate committees of the Legislature by December 1, 2010.

Votes on Final Passage:

House	50	47
Senate	29	20

Effective: July 26, 2009

SHB 2346
C 569 L 09

Concerning crisis residential centers.

By House Committee on Ways & Means (originally sponsored by Representative Kagi).

House Committee on Ways & Means
Senate Committee on Ways & Means

Background: Crisis Residential Centers (CRCs) have been operated in Washington since the 1980s to serve as temporary residences for youth in crisis due to family conflict, abuse or neglect, homelessness, chemical dependence, or unmet mental health needs. In 1995 the Legislature enacted the Becca Bill, named for Rebecca Hedman, a thirteen year-old girl who repeatedly ran away from home and other residential facilities, and eventually was murdered in Spokane. The Becca Bill established secure CRCs with the goal of allowing youth exhibiting behaviors endangering themselves to be held for up to five days in secure facilities for assessment and planning purposes.

The CRCs consist of both semi-secure facilities and secure facilities. Secure CRCs include some facilities located within or adjacent to a juvenile detention facility, but do not allow for in-person contact between youth in the CRC and juveniles being held in the detention facility. The remaining secure CRCs are community-based facilities. The Department of Social and Health Services contracts statewide for 44 secure beds, 13 of which are located within or adjacent to a juvenile detention facility, and 34 semi-secure beds located in the community. The maximum time a youth may reside in a CRC is five days, including youth who may be transferred between a semi-secure facility and a secure facility.

The CRCs may serve youth who are homeless, those who seek shelter including runaway youth, and those transported by law enforcement or the DSHS. Assessment services provided to youth frequently include the convening of a multi-disciplinary team to assist in problem solving and planning for the youth's transition back home or to an alternate placement.

Summary: The maximum number of days a youth may reside in a semi-secure CRC or a community-based secure CRC is changed from five to 15 days. The DSHS may place a youth in a secure CRC only in cases where there is no reasonable cause to believe that the youth has run away from home or foster care due to abuse or neglect. The maximum length of stay for youth residing in a detention center-based secure CRC remains at five days.

Votes on Final Passage:

House	98	0	
Senate	49	0	(Senate amended)
House	94	0	(House concurred)

Effective: July 26, 2009

HB 2347
C 527 L 09

Concerning the review of support payments.

By Representative Kagi.

House Committee on Ways & Means
Senate Committee on Ways & Means

Background: The Adoption Support Program assists families adopting children who have been in out-of-home care by providing ongoing financial and medical support to qualified children based on state and federal regulations.

To qualify for adoption support through the Department of Social and Health Services (DSHS), the child must:

- be less than 18 years of age when the DSHS and the adoptive parent have signed the Adoption Support Agreement;
- be legally free (birth parent's rights have been terminated);
- be residing in or likely to be placed in out-of-home care; and
- have special needs.

Adoptive parents of a child who qualifies for the Adoption Support Program are able to receive an adoption subsidy. The subsidy is a negotiated monthly cash payment provided to adoptive families to help cover some of the expenses involved in raising a child with special needs. The amount of the payment is based on the child's needs and the family's circumstances, jointly determined through the negotiation between the family and the DSHS, and must not exceed the amount the child would receive if the child were in a foster family home.

The DSHS is required to review adoption support agreements at least once every five years. Additionally, an adoptive parent that receives adoption support may request at any time, in writing, a review of the amount of payment or the level of continuing payments. The review is to take place no later than 30 days from the receipt of the request. As a result of the review, the DSHS may adjust support payments based upon changes in the needs of the child, the parent's income, resources, and expenses.

Summary: The requirement that the DSHS must conduct adoption support reviews every five years is removed. The adoptive parent may, at any time, make a written request for a review and receive a review no later than 30 days from the request.

Votes on Final Passage:

House	98	0
Senate	48	0

Effective: July 26, 2009

HB 2349
C 538 L 09

Concerning disproportionate share hospital adjustments.

By Representative Cody.

House Committee on Ways & Means
Senate Committee on Ways & Means

Background: Medical assistance is available to eligible low-income state residents and their families from the Department of Social and Health Services (DSHS), primarily through the Medicaid program. Most of the state medical assistance programs are funded with matching federal funds in various percentages.

The federal government matches state funding for Disproportionate Share Hospitals (DSH), which are hospitals that serve a disproportionate share of Medicaid clients or the uninsured. States make DSH payments directly to hospitals, and the federal government reimburses them for part of the payments based on each state's Medicaid matching rate. States receive a DSH allotment that sets an upper limit on how much federal Medicaid money they can spend on DSH payments.

The DSH program offers flexibility to states in how they distribute DSH funds. States are required to take into account the situation of hospitals which serve a disproportionate number of low-income patients with special needs"

The DSHS must provide DSH payments considering low-income care and medical indigency components and a state-only component for hospitals that do not qualify for federal payments.

Summary: The DSH payments are limited to the extent that funds are appropriated specifically for this purpose and are subject to any conditions placed on those appropriations.

Votes on Final Passage:

House	98	0
Senate	37	11

Effective: July 26, 2009

SHB 2356
C 541 L 09

Revising student achievement fund allocations.

By House Committee on Ways & Means (originally sponsored by Representative Haigh).

House Committee on Ways & Means
Senate Committee on Ways & Means

Background: Initiative 728 (I-728), approved by the voters in November 2000, created the Student Achievement Fund and dedicated certain state revenues to support various school reform activities in public schools.

The allowable uses for I-728 funding include:

- reductions in K-4 class size;

- selected class size reduction in grades 5-12;
- extended learning opportunities for students;
- investments in educators and their professional development;
- early assistance for children who need pre-kindergarten support; and
- providing improvement or additions to facilities to support class size reductions and extended learning opportunities.

The funding sources for the Student Achievement Fund have been modified several times by the Legislature. Beginning in 2001, portions of state property tax and state lottery revenues were dedicated to the Student Achievement Fund. Beginning in 2004, I-728 directed that the state property tax contribution to the Student Achievement Fund was to increase to $450 per student FTE (full-time equivalent) and that lottery revenues would be deposited to the School Construction Fund. The 2003 Legislature revised the property tax per student contributed to the Student Achievement Fund to $254 for 2004, $300 for 2005, $375 for 2006, $450 for 2007, and an amount adjusted annually for inflation thereafter. By law, $278 of the per pupil allocations must be supported with state property tax revenues, with the remainder supported by the Education Legacy Trust Account, which is supported by cigarette taxes and the estate tax.

Each year, school districts must submit a plan to the Office of Superintendent of Public Instruction outlining plans for the expenditure of I-728 revenues. Additionally, before May 1, school boards must hold a public hearing on the proposed use of the new money. During the 2007-08 school year, about 52 percent of the funding was used for class size reduction, about 20 percent was used for professional development, about 10 percent was used for extended learning programs, and the remainder was used for a variety of initiatives such as early childhood programs and facilities improvements.

Allocations to school districts from the Student Achievement Fund are estimated at $868 million for the 2009-11 biennium, and are allocated at a rate of approximately $458 per student FTE for the 2008-09 school year.

Summary: Per-student allocation rates for the Student Achievement Fund are specified in the State Omnibus Appropriations Act, rather than specifically identified in statute, beginning in the 2009-10 school year.

Votes on Final Passage:

House	50	47
Senate	28	20

Effective: July 1, 2009

EHB 2357

C 570 L 09

Concerning modifying nursing facility medicaid payments by clarifying legislative intent regarding the statewide weighted average, freezing case mix indices, and revising the use of the economic trends and conditions factor.

By Representative Cody.

House Committee on Ways & Means
Senate Committee on Ways & Means

Background: There are about 226 nursing homes in Washington providing long-term care services to approximately 11,115 Medicaid clients.

Nursing Home Rates Generally. The nursing home payment system is detailed in statute and consists of seven different rate components: direct care, therapy care, support services, operations, property, financing allowance, and variable return. The rates are unique to each facility and adjusted quarterly for client acuity.

The Statewide Weighted Average (Budget Dial). In the state biennial appropriations act, the Legislature sets a statewide weighted average nursing facility Medicaid payment rate, sometimes referred to as the "budget dial." If the actual statewide nursing facility payment rates exceed the budget dial, the Department of Social and Health Services (DSHS) is required to proportionally adjust downward all nursing facility payment rates to meet the budget dial.

Cost and client data reported by the individual facilities is used in this process and a settlement process allows for adjustments due to under spending or overspending in each rate component.

Economic Trends and Conditions. The Legislature appropriates dollar amounts and inflationary factors for the DSHS to establish vendor rates in the biennial appropriations act. When the DSHS establishes the vendor rates it reviews the most recent legislative action and applies any authorized inflationary factor to establish new rates.

During the last economic trends and conditions adjustment to the rates, the Department calculated the adjustment using the factors established by the Legislature for the 2007-09 biennium. Life Care Center of America challenged the calculation in court arguing the inflationary adjustment for economic trends and conditions should be compounded since the last rebase period.

The Thurston County Superior Court ruled in *Life Care Center of America v. DSHS* that the DSHS had erred in its method of applying the vendor rate increase to the July 1, 2006, rates of the Life Care facilities. This ruling has been applied to all nursing homes effective July 1, 2008, and payment adjustments have been made. Due to these payment adjustments, the budget dial was exceeded April 1, 2009, and all nursing homes received a subsequent downward adjustment to their rates.

Case Mix Adjustments. Every quarter an adjustment is made to each facility's rate based on the acuity of the clients they serve. To make this adjustment, the DSHS gathers data through a minimum data set required by the Centers for Medicare and Medicaid Services (CMS). The data gathered are then used to establish indices which are used to calculate the case mix adjustment.

The CMS requires new and different information to be included in the Minimum Data Set (MDS) effective October 1, 2010. Under current law, the assessments gathered under the new MDS 3.0 should be used to set April 1, 2011, rates. Data through the current system (MDS 2.0) will not be available between October 1, 2010, and when MDS 3.0 is fully implemented.

Summary: Economic Trends and Conditions. Economic trends and conditions increases are not to be calculated cumulatively, but are solely based on the percentages called out in the state biennial appropriations act. When no economic trends and conditions factors are defined in a state biennial appropriations act, no economic trends and conditions factors from earlier biennial appropriations act may be applied or compounded to component rate allocations.

Case Mix Adjustments. Case mix indices are temporarily frozen to the last full quarter of data available prior to the upgrade of the MDS 3.0. Once MDS 3.0 is fully implemented, the DSHS is required to retroactively adjust all nursing home rates for case mix changes that occurred during the period when the case mix indices were frozen.

Votes on Final Passage:

House	95	0	
Senate	47	0	(Senate amended)
House	95	0	(House concurred)

Effective: May 19, 2009

EHB 2358

C 507 L 09

Increasing liquor license fees limited to fees for beer and/or wine restaurants; taverns; snack bars; combined beer and wine retailers; grocery stores; beer and/or wine specialty shops; passenger trains, vessels, and airplanes; spirits, beer, and wine restaurants; spirits, beer, and wine private clubs; beer and wine private clubs; and public houses.

By Representative Conway.

House Committee on Ways & Means
Senate Committee on Ways & Means

Background: The Liquor Control Board (Board) issues a number of types of retail liquor licenses. For some licenses, there are also endorsements available that allow additional activities. Licensees pay an annual fee to the Board.

The distribution of license fee revenue depends on the type of license. Revenue from spirits, beer, and wine restaurant and private club fees is distributed to the state toxicology program for death investigations, and to the University of Washington, Washington State University, and the Department of Social and Health Services for alcoholism and drug abuse program purposes. A portion of the revenue from grocery store, snack bar, and tavern fees is dedicated to alcoholism and drug abuse program purposes and the remainder goes into the Liquor Revolving Fund (revolving fund). The revolving fund is used by the Board for administering the liquor provisions. Excess funds from the revolving fund are distributed according to a formula to border areas, the State General Fund, and cities and counties. The entirety of other retail license fees goes into the revolving fund.

Summary: Specific retail liquor license and license endorsement fees are raised by 10.5 percent for the 2009-11 biennium as follows:

License	**Current Fee**	**New Fee**
Grocery License	$150	$166
International Exporter Endorsement	$500	$553
Public House License	$1,000	$1,105
Beer and/or Wine Specialty Shop License	$100	$111
Snack Bar License	$125	$138
Interstate Common Carrier's License	$750	$829
Duplicate License - Additional Locations	$5	$6
Private Club - Beer and/or Wine License	$180	$199
Sale of Unopened Wine for Off-Premises Consumption Endorsement	$120	$133
Private Club - Spirits, Beer, and Wine License	$720	$796
Non-Club Event Endorsement	$900	$995
Sale of Unopened Wine for Off-Premises Consumption Endorsement	$120	$133
Restaurant Beer and/or Wine License		
Beer only	$200	$221
Wine only	$200	$221
Beer and Wine	$400	$442
Sale of Beer and/or Wine for Off-Premises Consumption	$120	$133
Caterer's Endorsement	$350	$387
Caterer's Storage at Other Locations Endorsement	$20	$22
Restaurant Spirits, Beer, and Wine (public or private) License		
Less than 50% dedicated dining area	$2,000	$2,210
50% or more dedicated dining area	$1,600	$1,768
Service bar only	$1,000	$1,105
Caterer's Endorsement	$350	$387

Caterer's Storage at Other Locations Endorsement	$20	$22
Sale of Unopened Wine for Off-Premises Consumption Endorsement	$120	$133
Kegs-to-go Endorsement	$120	$133
Private Club - Non-Club Event Endorsement	$900	$995
Duplicate License - Civic/Convention Center Additional Location	$10	$11
Tavern License		
Beer only	$200	$221
Wine only	$200	$221
Beer and wine	$400	$442
Sale of Beer and/or Wine for Off-Premises Consumption	$120	$133

The 2009-11 fee increase revenue is not subject to the distribution otherwise specified for license fees and may be used only for the administration and enforcement of the affected licenses.

Votes on Final Passage:

House	50	47
Senate	29	20

Effective: July 26, 2009

HB 2359

C 478 L 09

Concerning delaying the implementation date for peer mentoring for long-term care workers.

By Representative Cody.

House Committee on Ways & Means
Senate Committee on Ways & Means

Background: Various programs in the Department of Social and Health Services' (DSHS) Aging and Adult Services and Developmental Disabilities divisions provide personal care services to clients who are elderly or disabled and are eligible for publicly funded services. Personal care services include assistance with various tasks such as toileting, bathing, dressing, ambulating, meal preparation, and household chores. These services may be provided in the client's home by long-term care workers, who include individual providers contracting directly with the DSHS and employees of licensed home care agencies.

In 2007 legislation was enacted to address training opportunities for long-term care workers. The training opportunities included a peer mentoring system. Long-term care workers must be offered on-the-job training or peer mentorship for at least one hour per week in the first 90 days of work. The mentor must be a long-term care worker who has completed 12 hours of mentor training and is mentoring no more than 10 other workers. This peer mentoring requirement applies to long-term care workers who begin work on or after January 1, 2010.

Summary: The requirement to offer on-the-job training or peer mentoring to long-term care workers begins July 1, 2011, instead of January 1, 2010.

Votes on Final Passage:

House	97	0
Senate	48	0

Effective: July 26, 2009

SHB 2361

C 571 L 09

Modifying state payments for in-home care.

By House Committee on Ways & Means (originally sponsored by Representative Cody).

House Committee on Ways & Means
Senate Committee on Ways & Means

Background: Various programs in the Department of Social and Health Services' (DSHS) Aging and Adult Services and Developmental Disabilities divisions provide personal care services to elderly or disabled clients who are eligible for publicly funded services. These services may be provided in the client's home by individual providers who contract directly with the DSHS or by agency providers who are employees of a licensed home care agency. This paid provider may be a relative or a household member, although the client's spouse may not be a paid provider under most programs. Personal care services include assistance with various tasks such as toileting, bathing, dressing, ambulating, meal preparation, and household chores.

A plan of care is developed for each client to determine the services allowed. The client may choose whether to obtain services through an individual provider or an agency provider, but federal law requires the benefits to be the same in amount, duration, and scope under either service option.

Individual providers who contract with the DSHS are compensated at rates established through collective bargaining and funded in the state's operating budget. Agency providers are paid by their employers who are reimbursed by DSHS based on a vendor rate that provides parity with the compensation established for individual providers. By statute the DSHS must, in determining the agency vendor rate, use a formula that accounts for:

- wages and fringe benefits;
- payroll taxes;
- mileage;
- any contributions that the state pays to the Training Partnership (a program to provide training for individual providers); and
- average increases in workers' compensation costs.

In addition, contributions for health care benefits are paid at the same rate as for individual providers.

The Home Care Quality Authority (HCQA) was created in 2002 to provide oversight of in-home care services and to improve and stabilize the workforce. The Joint Legislative Audit and Review Committee is required to conduct two performance reviews of the HCQA. The first report, No. 07-2, concluded that the cost of providing services through agency providers was $5 per hour higher than providing the services through independent providers.

Summary: The DSHS is prohibited from paying a licensed home care agency for in-home personal care or respite services if the care is provided to a client by the client's family member. The prohibition does not apply if the family member is older than the client. The DSHS may make exceptions to this prohibition on a case-by-case basis based on the client's health and safety. Beginning July 1, 2010, the DSHS must not pay a home care agency for in-home care services if the agency does not verify agency employee hours by electronic time keeping.

The DSHS must adopt rules to implement this prohibition, but the rules may not affect the amount, duration, or scope of benefits to which a client may be entitled under state or federal law. The DSHS may take enforcement action against a home care agency that charges the state for hours for which the DSHS is not authorized to pay. Enforcement action may include recoupment of payments and termination of the agency's contract for violating a recoupment requirement.

"Family member" includes parent, child, sibling, aunt, uncle, cousin, grandparent, grandchild, grandniece, or grandnephew.

Votes on Final Passage:

House	90	8	
Senate	29	20	(Senate amended)
House			(House refuses to concur)
Senate			(Senate insists on position)
House	94	2	(House concurred)

Effective: May 19, 2009

SHB 2362

C 572 L 09

Providing support for judicial branch agencies by imposing surcharges on court fees and requesting the supreme court to consider increases to attorney licensing fees.

By House Committee on Ways & Means (originally sponsored by Representative Kessler).

House Committee on Ways & Means
Senate Committee on Ways & Means

Background: Overview of Superior Court Fees. County clerks are elected officials who oversee all record-keeping matters pertaining to the superior courts, including receipting fees, fines, court-ordered moneys, and disbursement of funds. County clerks collect superior court filing fees and other fees for court services as prescribed by statute.

The following table gives the fee schedule for certain fees collected by the county clerks for their official services. These fees are subject to division between the county, the Public Safety and Education Account (PSEA), and the county or regional law library fund, with the exception of the fee for filing a notice of appeal or notice of discretionary review. The fee for filing a notice of appeal or discretionary review is transmitted to the appropriate state appellate court.

Superior Court Filing	**Fee**
First or initial paper in any civil action	$200
Unlawful detainer action	$45
First or initial paper on appeal from a court of limited jurisdiction or any civil appeal	$200
Petition for judicial review under the Administrative Procedure Act	$200
Notice of debt due for the compensation of a crime victim	$200
First paper in a probate proceeding	$200
Petition to contest a will admitted to probate or petition to admit a will which has been rejected	$200
Notice of appeal or notice of discretionary review	$250

Overview of District Court Fees. District courts are courts of limited jurisdiction. They have concurrent jurisdiction with superior courts over misdemeanor and gross misdemeanor violations and civil cases in which the amount claimed or in dispute is $75,000 or less. District courts also have jurisdiction over small claims and traffic infractions.

District court clerks are required to collect fees for various services as prescribed by statute. Except for certain costs, all costs, fees, fines, forfeitures, and penalties collected in whole or in part by the district court are remitted by the district court clerk to the county treasurer. The county treasurer must remit 32 percent of the non-interest money received by district courts to the State Treasurer for deposit into the PSEA. The remaining balance of the non-interest money received by the county treasurer is deposited in the county current expense fund and the county or regional law library fund. Expenditures of the district court are paid from the county's current expense fund.

The following table gives the fee schedule for certain fees collected by the district court clerks for their official services.

District Court Filing	**Fee**
Any civil action at time of commencement or transfer	$43 + potential $10 surcharge for dispute resolution centers

Counterclaim, cross-claim, or third-party claim	$43 + potential $10 surcharge for dispute resolution centers
Small claims	$14 + potential $15 surcharge for dispute resolution centers

Summary: The following temporary surcharges are added to the fees collected by the superior and district courts:

- $30 for the filings listed in the superior court chart above, except for the filing of a first or initial paper in an appeal from a court of limited jurisdiction, which is subject to a $20 surcharge;
- $20 for the filings listed in the district court chart above, excluding small claims; and
- $10 for small claims filings.

The surcharges are in addition to the existing fees collected by the superior and district courts. The surcharges expire on July 1, 2011. All surcharges collected by the courts must be remitted to the State Treasurer for deposit in the Judicial Stabilization Trust Account.

A Judicial Stabilization Trust Account (Trust Account) is established in the custody of the State Treasurer. The surcharges created by this act must be deposited in this Trust Account. Moneys in the Trust Account may be spent only after appropriation. Expenditures from the Account may be used only for the support of judicial branch agencies.

Votes on Final Passage:

House	52	46	
Senate	25	18	(Senate amended)
House	51	42	(House concurred)

Effective: July 1, 2009

SHB 2363

C 573 L 09

Temporarily suspending cost-of-living increases for educational employees.

By House Committee on Ways & Means (originally sponsored by Representative Linville).

House Committee on Ways & Means
Senate Committee on Ways & Means

Background: Initiative 732 (I-732) was approved by voters in the November 2000 general election. It required the state to provide an annual cost-of-living adjustment (COLA) for K-12 teachers and other public school employees, as well as community college and technical college academic employees and classified employees at technical colleges. The COLA is based on the Seattle-area Consumer Price Index from the most recently completed calendar year.

In 2003, the Washington Supreme Court's ruling in *McGowan v State* regarding interpretation of the state's funding obligation, the Legislature amended the statute to specify that the state must provide funding for cost-of-living increases for K-12 state funded formula staff units only.

Legislation was enacted to suspend I-732 for the 2003-05 biennium. Therefore, no COLAs were provided for the 2003-04 or 2004-05 school years. However, a salary adjustment was provided that biennium for state formula certificated instructional staff in their first seven years of service.

Initiative 732 COLA adjustments assumed in the 2009-11 maintenance level budget were 4.2 percent for the 2009-10 school year, and no adjustment for the 2010-11 school year.

Summary: The I-732 cost-of-living increases are suspended during the 2009-11 biennium for K-12 school employee salary rates used in state formulas, as well as for community college and technical college academic employees and classified employees of technical colleges salary rates.

Additionally, COLAs not provided in the 2009-11 biennium will be "caught up" in the ensuing biennia. State salary rates must be adjusted such that, by the end of the 2014-15 school year, base salaries or average salaries used in state allocation formulas are, at a minimum, what they would have otherwise been if COLAs had not been suspended during the 2009-11 biennium.

Votes on Final Passage:

House	84	12	
Senate	28	20	(Senate amended)

Effective: July 1, 2009

HJM 4000

Requesting passage of the federal act to restore payment of county health care costs.

By Representatives O'Brien, Warnick, Takko, Morrell, Hasegawa, Simpson and Moeller.

House Committee on Human Services
Senate Committee on Health & Long-Term Care
Senate Committee on Human Services & Corrections

Background: Under federal law, a person who is in a public institution involuntarily is considered to be an "inmate" of a public institution. As a result, persons who are unable to make bail and are incarcerated pending trial are not eligible for federal benefits such as Medicaid, Medicare, Supplementary Security Income, or State Children's Health Insurance Program benefits, even though no finding of guilt has been made. In April 2008 House Resolution 5698 (HR 5698), the Restoring Partnership for County Health Care Costs Act of 2008, was introduced in the 110th U.S. Congress. It was subsequently referred to the Subcommittee on Income Security and Family Support, where it remained in committee. If HR 5698 were

passed by Congress, the definition of "inmate of a public institution" would be amended to exclude individuals who are in custody pending the disposition of charges. Under the amended definition, a person in custody, but not adjudicated guilty, may continue to receive or apply for federal benefits.

Summary: The Joint Memorial requests the President, the President of the U.S. Senate, the Speaker of the U.S. House of Representatives, and the U.S. Congress to pass HR 5698, the Restoring Partnership for County Health Care Costs Act of 2008.

Votes on Final Passage:

House	95	1
Senate	45	0

HJM 4005

Requesting the Postal Service to issue a postage stamp commemorating Nisei veterans.

By Representatives Santos, Hasegawa, McCune, Hurst, Campbell, Pedersen, Hunter, Rodne, Warnick, Smith, Anderson, Ross, Angel, Walsh, Bailey, Roach, Shea, Upthegrove, Morrell, Ormsby, Hudgins, Conway, Rolfes, Kelley and Kenney.

House Committee on State Government & Tribal Affairs
Senate Committee on Government Operations & Elections

Background: Japanese Americans have special terminology for family, based on the Japanese language of their heritage. "Nisei" means "second generation," referring to the children of those who came from Japan. The Nisei are American citizens by birth. During World War II, Nisei men and women served in the United States Army in the 100th Infantry Battalion, 442nd Regimental Combat Team, Military Intelligence Service, and the Women's Army Corps. The Japanese American soldiers earned over 14,000 awards during World War II, including 21 Medals of Honor, nine Presidential Unit Citations, and 9,486 Purple Hearts.

The U.S. Postal Service (USPS) has a stamp selection body: the 15-member Citizens' Stamp Advisory Committee (Committee). The Committee members are appointed by the Postmaster General and are tasked with evaluating the merits of all stamp proposals. The Committee's primary goal is to select subject of broad national interest for recommendation to the Postmaster General that are both interesting and educational. In addition, the Committee must consider 12 major criteria that guide subject selection. For example, no living person may be honored on U.S. postage and no stamp may be considered for issuance if the same subject has been honored within the past 50 years.

It is the general policy that United States postage stamps and stationery primarily will feature American or American-related subjects. The Committee meets four times yearly to review all eligible proposals that have been received since the previous meeting. At the meeting, the Committee considers all new proposals and takes one of two actions: it may reject the new proposal or it may set it aside for consideration for future issuance. Although the USPS relies heavily on the Committee for its advice, it has the exclusive and final authority to determine both the subject matter and the designs for United States postal stamps and postal stationery.

Summary: The Washington State House of Representatives and Senate prays that the USPS issue a postage stamp in commemoration of the Nisei veterans' service in the United States Armed Forces during the Second World War.

Votes on Final Passage:

House	94	0
Senate	46	0

HJM 4014

Requesting that House Resolution 6922 or substantially similar legislation be enacted to help stabilize the trucking industry.

By Representatives Kessler, DeBolt and Orcutt.

House Committee on Transportation
Senate Committee on Transportation

Background: House Resolution 6922 has been introduced by the United States House of Representatives. House Resolution 6922 would amend the Small Business Act to authorize disaster loans for eligible small businesses that have suffered or are likely to suffer substantial economic injury due to increases in the price of gasoline or diesel fuel. Small businesses eligible for the loans are those engaged in the transportation of persons or property for hire.

The loans are limited to $250,000. The Small Business Administration (SBA) may waive the $250,000 limit if the applicant is a major source of employment in the surrounding area as determined by the SBA.

Summary: The Washington State Senate and House of Representatives request that the President of the United States and the United States Senate and House of Representatives enact House Resolution 6922 or substantially similar legislation. The purpose of the Resolution or similar legislation is to amend the Small Business Act to provide low-interest loans to small businesses providing transportation services in order to assist these businesses in dealing with high motor fuel prices.

Votes on Final Passage:

House	94	0
Senate	48	0

SSB 5001
C 259 L 09

Eliminating the matching fund requirement for the American Indian endowed scholarship program.

By Senate Committee on Higher Education & Workforce Development (originally sponsored by Senators Jacobsen and Kauffman).

Senate Committee on Higher Education & Workforce Development
House Committee on Higher Education

Background: The American Indian Endowed Scholarship program helps financially needy students, with close ties to a Native American community within Washington, pursue undergraduate and graduate studies. Scholarship recipients must be Washington residents and full-time students who promise to use their education to benefit other American Indians. Students can use the scholarships at public colleges and universities and accredited independent colleges and universities in Washington. The program annually awards about 15 scholarships. Scholarship amounts generally range from $500 to $2,000 for one academic year. Students are eligible to receive scholarships for up to five years.

Scholarship money comes from interest generated through an endowment funded by private contributions, tribes, and the state. The state funds the endowment with funds from the scholarship trust fund. Funds appropriated by the Legislature for the Endowed Scholarship program are deposited into the trust fund. The Higher Education Coordinating Board (Board) may request that the treasurer deposit $50,000 of state matching funds from the scholarship trust fund into the American Indian scholarship endowment fund when the Board can match the state funds with an equal amount of private cash donations, including conditional gifts. Private cash donation means monies from nonstate sources. The principal of the endowment fund cannot be invaded. The endowment fund currently has approximately $626,684.

Summary: The state matching fund requirement and the scholarship trust fund are eliminated. The state may deposit money into the American Indian scholarship endowment fund without limitation. Funds appropriated by the Legislature for the American Indian Endowed Scholarship program may be deposited into the scholarship endowment fund.

Votes on Final Passage:

Senate	45	2
House	65	32

Effective: July 26, 2009

SB 5008
C 269 L 09

Regarding hunting licensing requirements for members of the military.

By Senators Hewitt, Hobbs, Honeyford, Schoesler, Zarelli, Parlette, Stevens, Kilmer, Hatfield, Swecker, Benton and Roach.

Senate Committee on Natural Resources, Ocean & Recreation
House Committee on Agriculture & Natural Resources

Background: A recreational license issued by the Department of Fish and Wildlife (DFW) is required to hunt for classified wildlife in Washington. When purchasing a hunting license, persons under the age of 18 must present certification of the completion of a course of instruction of at least ten hours in the safe handling of firearms, safety, conservation, and sportsmanship. This requirement also applies to persons purchasing a hunting license for the first time if born after January 1, 1972.

The hunter education program is managed by DFW. Courses focus on the topics of firearms and outdoor safety, wildlife management, and hunter responsibility. All hunter education instructors are certified by DFW.

Summary: Members of the United States military are exempt from the firearm skills portion of any hunter education course completed over the Internet.

Votes on Final Passage:

Senate	44	0	
House	98	0	(House amended)
Senate	44	0	(Senate concurred)

Effective: July 26, 2009

SSB 5009
C 50 L 09

Creating a military service exemption for benefits charged to the experience rating accounts of employers.

By Senate Committee on Labor, Commerce & Consumer Protection (originally sponsored by Senators Marr, Swecker, Hobbs, King, Sheldon, Kilmer, Ranker, Berkey, Haugen, Kauffman, Rockefeller, Hatfield, McAuliffe, Shin and Roach).

Senate Committee on Labor, Commerce & Consumer Protection
House Committee on Commerce & Labor

Background: Generally, unemployment insurance (UI) benefits paid to unemployed workers are charged to the former employer. Any charges against an employer are figured into the employer's experience rated tax. Some UI benefits, however, are not charged to the former employer. UI benefits not charged to a specific employer are socialized among all employers. The social tax component of an

employer's total state unemployment tax covers the social costs.

Certain UI benefits are automatically not charged to an employer, and the Commissioner of the Employment Security Department has the discretion to grant requesting employers relief from other UI benefit charges. The Commissioner has discretion to grant benefit charge relief if the benefit charge results from a payment to an individual who left employment voluntarily for reasons not attributable to the employer; the individual was discharged for work connected misconduct; the individual is unemployed because the work location was closed or scaled back due to a natural disaster or catastrophe; or the individual continues working as a permanent part-time employee for the employer and separated from concurrent employment with a different employer at some time during the base year.

Members of the military reserves and the National Guard who are called to active duty enjoy reemployment rights under state and federal law. An individual seeking reemployment must apply for or return to work within a specified time, depending on the individual's period of service.

Summary: The Commissioner has discretion to grant benefit charge relief to an employer if the benefit charge results from a payment to an individual who was (1) hired to replace an employee who is a member of the military reserves or National Guard and was called to federal active military service by the President, and (2) is subsequently laid off when the military employee returns to work within the time provided for in the state service reemployment statute.

Votes on Final Passage:

Senate	47	0
House	97	0

Effective: July 26, 2009

ESSB 5011

C 273 L 09

Prohibiting the sale or distribution of certain novelty lighters.

By Senate Committee on Labor, Commerce & Consumer Protection (originally sponsored by Senators Kauffman, Kohl-Welles, Kline and Keiser).

Senate Committee on Labor, Commerce & Consumer Protection

House Committee on Commerce & Labor

Background: The Office of the State Fire Marshal, Fire Protection Bureau (Bureau) is within the Washington State Patrol and provides various services to fire districts, government agencies, and the public. Examples of these services include coordination of the state fire service resources for mobilization during disasters, fire incident reporting and data collection, fire code review and adoption, and construction plan reviews for fire sprinkler and alarm systems. The Bureau also regulates the fireworks and sprinkler industries. In addition, the Bureau provides high-risk fire training to fire departments and fire protection districts, hazardous materials training, and fire prevention education.

Summary: The sale and distribution of novelty lighters is prohibited. This prohibition does not apply to novelty lighters in interstate commerce that are not intended for distribution in the state. Wholesalers and retailers may continue to sell existing inventory for 90 days after this prohibition goes into effect.

A novelty lighter has features that are attractive to children including visual effects, flashing lights, musical sounds, and toy-like designs. The term considers the shape of the lighter to be the most important characteristic when determining whether a lighter can be considered a novelty lighter. A novelty lighter is not a disposable lighter that is printed or decorated with logos, decals, artwork, or heat shrinkable sleeves.

The "authority having jurisdiction" is defined as the local organization, office, or individual responsible for enforcing the requirements of the State Fire Code. The authority having jurisdiction has authority to enforce the prohibition.

Several provisions are included for the enforcement of the prohibition. The authority having jurisdiction may impose a civil penalty that may not exceed:

- for a wholesale dealer, a written warning for the first violation and $500 for each subsequent violation; and
- for a retail dealer, a written warning for the first violation and $250 for each subsequent violation.

The authority having jurisdiction may bring an action seeking:

- injunctive relief to prevent or end a violation;
- to recover civil penalties; or
- to recover attorneys' fees and other enforcement costs.

Votes on Final Passage:

Senate	43	3	
Senate	46	2	(Senate reconsidered)
House	85	8	(House amended)
Senate	42	2	(Senate concurred)

Effective: July 26, 2009

SSB 5012
C 20 L 09

Directing the Washington state patrol to develop a plan to assist in the recovery of missing persons.

By Senate Committee on Judiciary (originally sponsored by Senators Kilmer, Swecker, Haugen, King, Sheldon, Marr, Kauffman, McAuliffe, Parlette and Roach).

Senate Committee on Judiciary
House Committee on Public Safety & Emergency Preparedness

Background: The AMBER Alert program was created as a result of the 1996 abduction and murder of nine-year old Amber Hagerman from Arlington, Texas. Through community effort, local media was asked to devise a plan to immediately broadcast abduction information. In remembrance of Amber, her name became the nationally recognized acronym for the AMBER Alert (America's Missing Broadcast Emergency Response).

Once law enforcement determines that a child has been abducted and the abduction meets certain criteria, law enforcement issues an AMBER Alert and notifies broadcasters and state transportation officials. The Department of Justice AMBER Alert Coordinator and the National Center for Missing and Exploited Children have provided guidelines for the states when establishing criteria for issuing an alert. As of 2005, all 50 states have adopted an AMBER Alert plan.

The Washington State Patrol (WSP) is lead agency for Washington's Statewide AMBER Alert Plan. The alert provides details about the child and the perpetrator (if known), including descriptive information. The Washington Statewide AMBER Alert Plan is the result of a coordinated work effort by the AMBER Alert Advisory Committee (Committee). The Committee membership includes: WSP, Washington State Department of Transportation, Department of Information Services, Washington Association of Broadcasters, the Washington State Military Department Emergency Management Divisions, Engaging and Empowering Citizenship, and a representative of local law enforcement. The Committee has been working together since 2003, but there are no statutes governing the issuance of AMBER Alerts or formally authorizing the WSP and other state agencies to adopt the Statewide AMBER Alert plan.

Some states have also started "Silver Alert programs" for adults with a cognitive impairment who are lost. Silver Alerts are modeled after the AMBER Alert program and are designed to alert the public and law enforcement agencies to help look for and identify missing adults. These programs often are targeted for adults with Alzheimer's disease, other forms of dementia, or other cognitive impairments.

Summary: The WSP must develop and implement an "AMBER Alert plan" for voluntary cooperation between local, state, tribal, and other law enforcement agencies, state governmental agencies, radio and television stations, and cable and satellite systems to enhance the public's ability to assist in recovering abducted children.

The WSP must also develop and implement an "endangered missing person advisory plan" for voluntary cooperation between local, state, tribal, and other law enforcement agencies, state government agencies, radio and televisions stations, and cable and satellite systems to enhance the public's ability to assist in recovering endangered missing persons who do not qualify for inclusions in an AMBER Alert.

Votes on Final Passage:

Senate	47	0
House	97	0

Effective: July 26, 2009

ESB 5013
C 417 L 09

Concerning fees collected by county clerks.

By Senators Hargrove, Brandland, Fraser, Hatfield and Parlette.

Senate Committee on Judiciary
House Committee on Judiciary

Background: The county clerk is an elected official and is the administrative and financial officer of the superior court. Many superior courts now have the ability to provide some services and documents electronically.

The fee for the issuance of a certificate of qualification and certified copies of letters of administration, testamentary, or guardianship is $2. The fee for clerk services such as processing ex parte orders, performing historical searches, and compiling statistical reports may not exceed $20. A service fee of $3 is collected for receipt of the first page of a faxed document. These fees are not subject to division with the state.

County clerks are authorized to assess a monthly or annual fee for the cost of collections of unpaid legal financial obligations. The fee may not exceed the actual cost of collections. This fee is not subject to division with the state.

Currently, a fee is not collected by the clerk when a party files a creditor's claim in a probate proceeding.

Summary: The fee for issuance of a certificate of qualification and certified copies of letters of administration, testamentary, or guardianship is raised from $2 to $5. The cap on the fee for clerk services such as performing historical searches, and compiling statistical reports is raised from $20 to $30. The fee for processing ex parte orders is changed from an hourly fee to a flat fee of $30. The service fee for receipt of the first page of a faxed document is raised from $3 to $5.

The assessment county clerks currently collect for legal financial obligations is codified in the statute that governs clerk service fees and is set at $100 per year.

Votes on Final Passage:

Senate	47	0	
House	63	34	(House amended)
			(Senate concurred in part)
House	60	36	(House receded in part)
Senate			(Senate concurred)

Effective: July 26, 2009

SB 5015

C 206 L 09

Concerning foster parent licensing.

By Senators Franklin, Hargrove and Kauffman; by request of Department of Social and Health Services.

Senate Committee on Human Services & Corrections
House Committee on Early Learning & Children's Services

Background: The Department of Social and Health Services (DSHS) currently issues foster home licenses for the licensee only at the location specified on the foster home licensing application. A foster home license remains in effect for two weeks after a foster family moves, but only if the foster home has an acceptable history of providing foster care and the family remains intact after the move.

Summary: A foster family home license remains in effect for 30 days after the foster family moves to a new location, as long as the family remains intact after the move and the home has an acceptable history of providing foster care. Before moving to a new location, licensees must notify their licensor and may request a continuation of the license at the new location. Within 30 days of the licensee's request, DSHS must amend the license to reflect the new location as long as the new location and licensee meet minimum licensing standards.

Votes on Final Passage:

Senate	45	0
House	98	0

Effective: July 26, 2009

SB 5017

C 103 L 09

Eliminating the requirement that auditors send a ballot or an application to receive a ballot to inactive voters.

By Senators McDermott, Parlette, Fairley, Oemig, Hatfield, Shin, Honeyford and Haugen.

Senate Committee on Government Operations & Elections
House Committee on State Government & Tribal Affairs

Background: A county auditor may conduct all elections by mail ballot if that person is given authorization to do so from the county legislative authority. The county legislative authority must give its authorization to conduct all elections by mail to the auditor at least 90 days in advance of the first election to be conducted by mail. If the county legislative authority and the county auditor decide to return to a polling place environment, the county legislative authority must give its authorization to do so to the auditor at least 180 days in advance of the first election to be conducted in a polling place environment. The auditor must then notify all registered voters in the county and provide them with the polling place to be used.

Prior to converting to a mail ballot election the auditor must notify all registered voters in the county that all elections will be conducted by mail. The auditor must send each inactive voter either a ballot or an application to receive a ballot at least 18 days before a primary, general, or special election. If an inactive voter returns a voted ballot or completed application, the ballot must be counted and the voter's status is restored to active.

A county auditor is required to assign a registered voter to inactive status and send a confirmation notice if certain documents are returned by the postal service as undeliverable. In addition, the county auditor is required to assign a registered voter to inactive status and send a confirmation notice whenever a change of address information from the Department of Licensing, or other agency designated to provide voter registration services, indicates the voter has moved to an address out of state or the auditor receives a postal change of address information indicating the voter has moved out of state.

An inactive voter must be returned to active status if: (1) during the period beginning on the date the voter was assigned to inactive status, and (2) ending on the day of the second general election for federal office that occurs after the date the voter was sent a confirmation notice, the voter does the following:

- notifies the auditor of a change of address within the county;
- responds to a confirmation notice with the information that the voter continues to reside at the registration address;
- votes or attempts to vote in a primary or general election and resides in the county; or

- signs any petition authorized by statute for which the signatures are required by law to be verified by the county auditor or Secretary of State.

Summary: The county auditor is not required to send each inactive voter a ballot or an application to receive a ballot at least 18 days prior to a primary, general, or special election.

Votes on Final Passage:

Senate	48	0
House	97	0

Effective: July 26, 2009

SB 5028

C 260 L 09

Transferring jurisdictional route transfer responsibilities from the transportation improvement board to the transportation commission.

By Senator Haugen.

Senate Committee on Transportation
House Committee on Transportation

Background: The Transportation Improvement Board (TIB) distributes grant money to cities and counties for transportation projects. Under current law, the TIB also receives petitions from cities, counties, or the state requesting route jurisdiction transfers. A route jurisdiction transfer is the conversion of a state highway into a local road, or the conversion of a local road into a state highway. The TIB must evaluate each request according to specified criteria and forward annually any recommended route jurisdiction transfers to the Senate and House transportation committees.

Summary: The responsibility for reviewing route jurisdiction transfer requests is reassigned from the TIB to the Washington State Transportation Commission.

Votes on Final Passage:

Senate	44	3
House	61	36

Effective: July 26, 2009

SSB 5030

C 21 L 09

Concerning militia records, property, command, and administration.

By Senate Committee on Government Operations & Elections (originally sponsored by Senators Kilmer, Hobbs, Swecker, Shin, Berkey, Eide, Hatfield, McAuliffe and Roach; by request of Military Department and Joint Committee on Veterans' and Military Affairs).

Senate Committee on Government Operations & Elections
House Committee on State Government & Tribal Affairs

Background: The Washington Code of Military Justice governs the organization, administration, and duties of the Washington National Guard.

The Adjutant General serves as the commander of the Washington National Guard. The Adjutant General has many duties including recordkeeping. Many of the records the Adjutant General must keep and maintain are submitted and retained by the Department of Defense. Records pertaining to federal issues are submitted to the Department of Defense. Records pertaining to state issues are maintained in the Bureau of Records housed in the Adjutant General's office, with copies submitted to the State Archive.

Summary: The Adjutant General is declared commander of the Washington National Guard, subject to the orders of the Governor. The Adjutant General will supervise the preparation and submission of records to the Governor or the federal government, as appropriate. Records pertaining to state issues are submitted to the State Archive, and the Adjutant General is no longer required to maintain a Bureau of Records.

Votes on Final Passage:

Senate	48	0
House	96	1

Effective: July 26, 2009

SSB 5035

C 22 L 09

Improving veterans' access to services.

By Senate Committee on Government Operations & Elections (originally sponsored by Senators Hobbs, Swecker, Marr, Roach, Kastama, Kauffman, Kilmer, Hatfield, McAuliffe and Haugen; by request of Joint Committee on Veterans' and Military Affairs).

Senate Committee on Government Operations & Elections
House Committee on State Government & Tribal Affairs

Background: The Washington State Department of Veterans Affairs (WDVA) was created in 1976. Prior to its creation, veterans were served by the Department of Social and Health Services.

The WDVA provides many services to veterans and their families. Included among the services, the WDVA provides assistance with claims to access VA benefits, Veterans Estate Management Program, post traumatic stress disorder counseling, homeless veterans outreach, and education and employment assistance.

Currently, Washington ranks 12th nationwide for the total number of veterans in the state. As of 2000, the WDVA estimates there may be as many as 670,628 veterans in Washington.

Summary: The WDVA must create a five-year plan to identify all veterans in the state and identify veterans in the state as the veteran population changes.

The WDVA must identify improved referral methods and improved communication tools so veterans can be directed to available state and federal aid programs.

Savings and costs must be itemized and potential legislative needs discussed.

The report is due January 1, 2010.

Votes on Final Passage:

Senate	47	0
House	97	0

Effective: July 26, 2009

SB 5038

PARTIAL VETO

C 549 L 09

Making technical corrections to gender-based terms.

By Senators Kohl-Welles, King, Keiser, Franklin and Pridemore; by request of Statute Law Committee.

Senate Committee on Labor, Commerce & Consumer Protection

House Committee on Judiciary

Background: Since 1983 state law requires that all statutes be written in gender-neutral terms, unless a specification of gender is intended. In 2007 the Legislature passed ESB 5063, an act relating to removing gender references. The act changed gender-specific terms to gender-neutral terms in several chapters of the Revised Code of Washington (RCW), including those chapters dealing with firefighters, police officers, bondspersons, and material suppliers.

The Legislature directed the Code Reviser, in consultation with the Statute Law Committee, to develop and implement a plan to correct gender-specific references in the entire RCW. The Code Reviser must make annual legislative recommendations to make the RCW completely gender-neutral by June 30, 2015.

Summary: Gender-specific terms and references are made gender-neutral in several Titles of the RCW. For example, references to "man" or "men" are changed to "person" or "persons," "councilman" is changed to "councilmember," and "chairman" is changed to "chair." Titles relating to local and state government and insurance are included and are made gender-neutral throughout. Other code sections are included, such as sections that contain business regulations, to modify specific references to "man" or "men."

Votes on Final Passage:

Senate	45	3	
House	77	20	(House amended)
Senate	40	4	(Senate concurred)

Effective: July 26, 2009

Partial Veto Summary: The Governor vetoed 15 sections due to conflicting amendments in other legislation.

VETO MESSAGE ON SB 5038

May 19, 2009

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I have approved, except for Sections 2040, 4012, 4013, 4020, 4030, 4058, 4081, 4082, 4083, 4131, 5133, 5137, 5140, 7004, 7057, Senate Bill 5038 entitled:

"AN ACT Relating to making technical corrections to gender-based terms."

I am vetoing the following sections due to conflicting amendments in other bills: 2040, 4012, 4013, 4020, 4030, 4058, 4081, 4082, 4083, 4131, 5133, 5137, 5140, 7004 and 7057.

With the exception of Sections 2040, 4012, 4013, 4020, 4030, 4058, 4081, 4082, 4083, 4131, 5133, 5137, 5140, 7004, 7057, Senate Bill 5038 is approved.

Respectfully submitted,

Christine O. Gregoire
Governor

SSB 5040

C 357 L 09

Clarifying and prescribing penalties for gambling under the age of eighteen.

By Senate Committee on Labor, Commerce & Consumer Protection (originally sponsored by Senators Delvin, Prentice, King and Kohl-Welles; by request of Gambling Commission).

Senate Committee on Labor, Commerce & Consumer Protection

House Committee on Commerce & Labor

Background: Minors may not participate in activities regulated by the Gambling Commission (Commission), except that, by rule, a person under the age of 18 may sell raffle tickets and may play bingo at agricultural fairs and school carnivals or when accompanied by an adult member of that person's immediate family or a guardian, and school-aged minors (between age six and 18) may play commercial amusement games at certain locations during specified times.

The gambling establishment and those persons operating gambling activities are responsible for assuring that persons under the age of 18 are not playing in or participating in the operation of any gambling activity. The Commission may fine a licensee, operator, or dealer who allows a minor to participate in a gambling activity. Minors who illegally participate or attempt to participate in gambling activities are not penalized.

Summary: Persons under the age of 18 may play bingo, raffles, and amusement game activities as provided in

Commission rule. Persons under the age of 18 may not participate in other gambling activities including punchboards, pull-tabs, card games, and fund-raising events. A minor who engages in prohibited gambling activities commits a class 2 civil infraction and is subject to a fine, community restitution, and court costs. The minor may not collect winnings or recover losses arising from unlawfully participating in gambling activities. Any money or item of value that is awarded to a minor must be forfeited to the Department of Social and Health Services Division of Alcohol and Substance Abuse and used for youth problem gambling awareness, prevention, and/or education.

Employers may conduct in-house controlled purchase programs for the purposes of employee training and employer self-compliance checks.

Votes on Final Passage:

Senate	46	0	
House	94	4	(House amended)
Senate	44	0	(Senate concurred)

Effective: July 26, 2009

SSB 5042
C 358 L 09

Providing a waiver of penalties for first-time paperwork violations by small businesses.

By Senate Committee on Economic Development, Trade & Innovation (originally sponsored by Senators Kilmer, Holmquist, Berkey, Schoesler, Kauffman, Marr, Rockefeller, Haugen, Eide, Kastama, Hatfield, Swecker, Tom, McAuliffe, Benton, Parlette and Roach).

Senate Committee on Economic Development, Trade & Innovation
House Committee on State Government & Tribal Affairs
House Committee on Ways & Means

Background: The Technical Assistance Act was passed in 1995 and requires agencies to provide technical assistance to businesses in complying with state regulatory programs. It also provides that agencies cannot issue civil penalties to businesses for first-time violations discovered during a technical assistance visit, provided such violations are corrected within a reasonable period of time. Unless otherwise prohibited, agencies are allowed to issue civil penalties for first-time violations discovered outside of technical assistance visits.

Summary: Agencies must waive fines, civil penalties, or administrative sanctions for first-time paperwork violations by small businesses. A paperwork violation is defined as failure to comply with any statute or regulation requiring an agency to collect data or a business to collect, post, or retain data. In the event of a second violation or failure to correct the first violation, the agency may reinstate the previously waived penalty and impose any new penalty stemming from the second violation. The waiver is not available to a small business whose owner or operator has previously committed a paperwork violation, and cannot reduce a requirement to apply for a permit or license.

The waiver requirement does not apply where the violation: 1) presents a direct danger to the public health, results in a loss of income or benefits to an employee, poses a potentially significant threat to human health or the environment, or causes serious harm to the public interest; 2) involves knowing or willful conduct that may result in a felony conviction; 3) concerns assessment or collection of any tax, debt, revenue, or receipt; or 4) conflicts with federal law or programs.

The waiver does not apply to a regulated entity's financial filings, an insurance rate or form filing, any business required to provide accurate and complete information regarding any claim for payment by the state or federal government, or any businesses licensed or certified to provide care to vulnerable adults or children.

Votes on Final Passage:

Senate	46	0	
House	97	0	(House amended)
Senate	43	0	(Senate concurred)

Effective: July 26, 2009

SSB 5043
C 23 L 09

Convening a work group to develop a single, coordinated student access portal for college information.

By Senate Committee on Higher Education & Workforce Development (originally sponsored by Senators Kilmer, Kauffman, Shin, Rockefeller, Kastama, Kohl-Welles, Jarrett, Tom and McAuliffe).

Senate Committee on Higher Education & Workforce Development
House Committee on Higher Education

Background: The Higher Education Coordinating Board (HECB) maintains a website where students and parents can obtain information about financing a college education. The HECB and the State Board for Community and Technical Colleges are currently working on an academic guidance and planning system (Academic GPS) that uses web-based technology to provide an online, statewide system for degree planning and advising. The proposed system includes planning tools to help students transfer among the state's colleges and universities.

Several states have created one-stop college access web portals for prospective and current college students and their families. The portals provide information on how to plan, pay, and apply for college. Portals may also include career centers. Some states claim that web portals are demonstrably useful to students and parents. The most

sophisticated of these websites serve as one-stop portals to all public post-secondary institutions in the state.

Summary: The HECB convenes a work group to develop a plan to create a one-stop, web-based portal for students and families planning, preparing, and applying for, as well as those attending, postsecondary education. The purpose of the portal is to provide comprehensive information and applications regarding financial, academic, and career planning.

The work group investigates similar ongoing efforts in other states including what information and services are typically offered, what planning stages and budgets are associated with portals, and whether the states' efforts are increasing postsecondary participation. The portal must be student-centered and must not presuppose a sophisticated understanding of postsecondary education. The portal must utilize existing infrastructure whenever possible. The final report of the work group along with proposed enabling legislative and administrative solutions is due to the Legislature by December 1, 2009.

Votes on Final Passage:

Senate	48	0
House	97	0

Effective: July 26, 2009

SSB 5044

C 172 L 09

Changing work-study provisions.

By Senate Committee on Higher Education & Workforce Development (originally sponsored by Senators Kilmer, Berkey, Kastama, Schoesler, Marr, Shin, Rockefeller, Eide, Jarrett, Keiser, Tom and Kohl-Welles).

Senate Committee on Higher Education & Workforce Development
House Committee on Higher Education
House Committee on Education Appropriations

Background: State work-study was created by the Legislature in 1974. It was designed as a broad access program providing work experiences to needy students. Students are able to reduce their debt burden while they strengthen their resumes, explore careers, and gain work experience. Washington businesses potentially benefit by being able to preview potential future employees at a reduced labor cost (35 percent of wages). The state work-study program forecasting model projects that 9,549 students will use state work-study during the 2008-09 academic year.

Summary: The proportion of state work study subsidy expended on nonresident students is limited to 15 percent or a lesser amount if specified in the Biennial Appropriations Act. The HECB must establish rules encouraging job placements in high demand fields.

Votes on Final Passage:

Senate	48	0
House	98	0

Effective: July 26, 2009

2SSB 5045

C 270 L 09

Regarding community revitalization financing.

By Senate Committee on Ways & Means (originally sponsored by Senators Kilmer, Zarelli, Brown, Kauffman, Shin, Marr, King, Regala, Rockefeller, Haugen, Berkey, Eide, Kastama, Jarrett, Pridemore, McAuliffe and Ranker).

Senate Committee on Economic Development, Trade & Innovation
Senate Committee on Ways & Means
House Committee on Community & Economic Development & Trade
House Committee on Finance

Background: Tax increment financing is a method of redistributing increased tax revenues within a geographic area resulting from a public investment to pay for the bonds required to construct the project.

Local Infrastructure Financing Tool. In 2006 the Legislature created a new form of tax increment financing, the Local Infrastructure Financing Tool (LIFT) program, to encourage private investment in community revitalization areas. The LIFT program provides a financing mechanism for local governments to make public infrastructure improvements, such as streets, sidewalks, traffic controls, and parking. Public improvement projects in revenue development areas are financed through a local sales and use tax that is credited against the state sales and use tax and matched with local resources, such as excess receipts from local sales/use and property taxes. The state contribution limit is $7.5 million per year. The new sales and use tax must be used for the purpose of principal and interest payments on bonds issued for a project, but may also be used to pay the public improvement costs on a pay-as-you-go basis for the first five years.

Community Revitalization Financing. In 2001 the Legislature created the Community Revitalization Financing (CRF) program. The CRF program was established to finance community revitalization projects by diverting a portion of the regular property taxes imposed by local governments within a "tax increment area" within counties, cities, towns, port districts, or any combination thereof. Additional property tax revenues generated from increases in assessed value within the increment area are divided: 75 percent is allocated for CRF projects and 25 percent allocated as normal. The state property tax levy is not affected.

Projects financed by property tax increment financing must be expected to encourage private development and increase the fair market value of real property within the tax increment area. CRF revenues may be used for a variety of projects and programs within the tax increment area, including traditional infrastructure improvements; providing environmental analysis, professional management, planning, maintenance, security for common areas, and promotion of retail trade activities within the increment area; and historic preservation.

Summary: Participating local governments, such as cities, counties, and port districts may create "revitalization areas" and may use certain tax revenues which increase within the area to finance local public improvements. The following sources of revenues are used for the payment of bonds which are issued to finance improvements: increased local sales/use tax revenues and property tax revenues generated from within the revitalization area, as well as additional funds from other local public sources; and a local sales/use tax that is credited against the state tax. Funds from local public sources may pay for public improvement costs on a pay-as-you-go basis.

Public improvements or projects which may be financed through this tax increment program include infrastructure projects (streets, roads, bridges, and rail; water and sewer system construction and improvement); sidewalks, streetlights, landscaping, and streetscaping; parking, terminal, and dock facilities; park and ride facilities of a transit authority; park facilities, recreational areas, and environmental remediation; storm water and drainage management systems; electric, gas, fiber, and other utility infrastructures; providing environmental analysis, professional management, planning, and promotion within the revitalization area, including the management and promotion of retail trade activities in the revitalization area; providing maintenance and security for common or public areas in the revitalization area; or historic preservation activities.

To use local revitalization financing, local governments must adopt an ordinance designating a revitalization area and specifying the proposed public improvements. No revitalization area may overlap with Hospital Benefit Zones, LIFT revenue development areas, CRF increment areas, or other local revitalization areas under this act. Local governments proposing a local revitalization area must provide notice to all taxing districts and local governments within the proposed area and hold public hearings. If taxing districts do not want to participate in the allocation of their property or certain local sales and use tax allocation revenues, they must take action through the adoption of an ordinance/resolution to opt out.

The local government must enter into a contract with a private developer relating to the development of private improvements within the revitalization area or have received a letter of intent. Public improvements are expected to encourage private development and increase property value within the revitalization area. Private development must be consistent with the county's growth management plans. The governing body of the local government must also make a finding that revitalization financing will not be used to relocate an in-state business to the area and that the public improvements are likely to increase private investment and employment.

The Department of Revenue (DOR) must approve demonstration projects in 2009 for Whitman County, University Place, Tacoma, Bremerton, Auburn, Vancouver, and Spokane. For non-demonstration projects, DOR must begin accepting applications September 1, 2009. DOR will administer the application and approval process on a first-come basis for the state contribution. DOR is required to retain in date order those local revitalization finance applications that are not approved due to lack of available state contribution and, if the state contribution is increased, to reconsider these applications before new ones are considered.

The state contribution is in the form of a local sales/use tax credited against the state tax. The rate for the local sales/use tax is 6.5 percent, less existing local sales/use taxes that are credited against the state sales/use tax, anticipated rates of taxes previously approved through the LIFT program and the Hospital Benefit Zone program, and distributions of state sales/use tax revenues diverted to performance audits. The rate must also be no greater than what is reasonably necessary for the sponsoring local government to receive the full amount of state contribution over 10 months. No new local sales/use tax credited against the state tax may be imposed before July 1, 2011, except for demonstration projects, for which such taxes may be imposed beginning July 1, 2010.

The maximum state contribution for the seven demonstration projects to begin in 2009 is $2.25 million per fiscal year and the maximum state contribution for all other revitalization areas is $2.5 million per fiscal year. The maximum state contribution per project is $500,000 per fiscal year. The state contribution awarded to a sponsoring local government is limited each year to the amount of local matching funds dedicated by the sponsoring local government in the preceding calendar year for revitalization financing. The state contribution must be used to pay for general obligation bonds issued to finance the public improvements in the revitalization area. Bonds issued for local revitalization financing do not constitute an obligation of the state.

Sponsoring local governments which have been approved for a state contribution must provide annual accountability reports to DOR. DOR will report summary information to the public and the Legislature annually.

Votes on Final Passage:

Senate	48	0	
House	92	5	(House amended)
Senate	47	0	(Senate concurred)

Effective: July 26, 2009

SSB 5055
C 24 L 09

Protecting the interests of customers of public service companies in proceedings before the Washington utilities and transportation commission.

By Senate Committee on Environment, Water & Energy (originally sponsored by Senators Brown, Fraser, Ranker and Kline).

Senate Committee on Environment, Water & Energy
House Committee on Technology, Energy & Communications

Background: The Washington Utilities and Transportation Commission (WUTC) is a three-member commission that has broad authority to regulate the rates, services, and practices of privately-owned utilities and transportation companies. The WUTC regulates these utilities under a "rate of return" system, where a utility is generally allowed to charge rates that cover its costs, plus an opportunity to make a fair profit.

Changing the Ownership of a Utility. The WUTC has broad authority to approve and condition the sale or purchase of regulated utilities if the transaction is "consistent with the public interest." When analyzing these transactions, the WUTC applies a "no harm" test, which means the transaction will be approved if it does not harm customers or the public. Some states such as Oregon apply a "net benefit" test, which means a transaction will be approved only if customers and the public will somehow benefit from the transaction. There is no deadline for denying or approving a sale or purchase of a regulated utility.

Summary: Creating a "Net Benefit" Test When Considering the Sale, Merger, or Transfer of a Utility. The WUTC may not approve the sale, merger, or transfer of any regulated gas or electric utility that would result in a person, directly or indirectly, acquiring a controlling interest in the utility without a finding that the transaction would provide a net benefit to the customers of the utility.

"Person" means an individual, partnership, joint venture, corporation, association, firm, public service company, or any other entity, however organized.

Creating an Eleven-Month Clock for Considering the Sale or Purchase of a Utility. The WUTC must approve or deny a sale or purchase of a regulated utility within 11 months of the date of filing, which the WUTC may extend up to four months for cause.

Votes on Final Passage:

Senate	48	0
House	97	0

Effective: July 26, 2009

SSB 5056
C 359 L 09

Requiring health care professionals to report patient information in cases of violent injury.

By Senate Committee on Health & Long-Term Care (originally sponsored by Senators Brandland, Regala, Keiser and McAuliffe).

Senate Committee on Health & Long-Term Care
House Committee on Health Care & Wellness

Background: The Health Insurance Portability and Accountability Act (HIPAA) and state law generally limit disclosure of a patient's health care information, if a patient has not authorized disclosure. However, both HIPAA and state law permit disclosure of health care information without a patient's authorization under some circumstances. If a state law permits such disclosure, a patient's authorization is not required under HIPAA.

Current state law permits health care providers to disclose certain health care information to law enforcement if the information is *requested* by law enforcement. However, it does not require that health care facilities or personnel report patients to law enforcement who may have sustained a gunshot or knife wound. As a result, if a patient who is a crime victim is not conscious or is unable to request law enforcement be contacted, the health care facility does not do so. The result has been that law enforcement personnel have been unable in some circumstances to obtain information timely because they were not aware that a gunshot or knife wound victim had been brought to a health care facility. In addition, some health care personnel have interpreted current law as prohibiting them from providing physical belongings of patients to law enforcement without patient authorization. Finally, some health care personnel have refused to disclose to law enforcement the name of the health care facility that a patient was being transported to.

Summary: Health care providers such as doctors, nurses, and hospitals must report gunshot or stab wounds to law enforcement as soon as reasonably possible if a patient is unconscious or unable to make such a report. Hospitals must establish a written policy which identifies who is responsible for making the report to law enforcement. Information to be included in the report is specified. Bullets or clothing removed from the patient must be reasonably maintained and provided to law enforcement. Health care providers are immune from liability for acting in compliance with this law and are not subject to the physician-patient privilege or the registered nurse privilege.

Emergency medical personnel treating a patient with a bullet wound, knife wound, or a blunt force injury must provide specific information to law enforcement personnel when this information is requested. This includes the patient's name, address, gender, age, condition, whether the patient was conscious, whether the patient appears to be under the influence of alcohol or drugs, the name of the emergency medical personnel providing care, and the name of the facility the patient is being transported to. Emergency medical personnel are immune from liability for disclosing this information to law enforcement.

Votes on Final Passage:

Senate	46	0	
House	95	3	(House amended)
Senate	43	0	(Senate concurred)

Effective: July 26, 2009

SB 5060
C 360 L 09

Modifying provisions relating to the use of manufactured wine or beer.

By Senator Jacobsen.

Senate Committee on Labor, Commerce & Consumer Protection
House Committee on Commerce & Labor

Background: Beer and wine made in the home is generally exempt from regulation under the state alcohol beverage control laws, provided the beer or wine is consumed in the home and not sold. State law does allow an adult to remove up to one gallon of home-made beer and wine from the home for exhibition or use at an organized beer or wine tasting or competition. Home-made beer and wine removed from the home cannot be sold or used by any person other than the producer and the event judges. Any beer or wine left over from the tasting or competition must be returned to the home in which it was produced.

Summary: Home-made beer and wine is not required to be consumed in the home where it was produced. Rather, home-made beer and wine may be removed from the home for private consumption. The amount of home-made beer or wine an adult may remove from the home is changed from one gallon to 20 gallons. Use of home-made beer and wine at organized affairs, exhibitions, or competitions is considered private consumption.

Votes on Final Passage:

Senate	45	0	
House	90	3	(House amended)
Senate	43	0	(Senate concurred)

Effective: July 26, 2009

SB 5071
C 464 L 09

Designating the Olympic marmot the official endemic mammal of the state of Washington.

By Senator Jacobsen.

Senate Committee on Natural Resources, Ocean & Recreation
House Committee on State Government & Tribal Affairs

Background: The state of Washington confers the official designation on various flora, fauna, performing arts, minerals, and tartan. The official fauna are designated as the orca, the official marine mammal; the willow goldfinch, the official bird; the common green darner dragonfly, the official insect; and the steelhead trout, the official fish.

The Olympic Marmot is a mammal endemic only to Washington. Olympic Marmots inhabit the Olympic Peninsula in the western section of Washington. Olympic Marmots are highly social animals and may live in groups of over a dozen animals. Gregarious bonds are made between animals in a family. Olympic Marmots identify each other by touching noses and smelling cheeks.

Olympic Marmots hibernate from September to May. During the morning and afternoon on summer days, they feed and spend their time sunbathing on rocks. In the evening, they return to their burrows. Olympic Marmots are relatively easy to see during the summer months along Hurricane Ridge in the Olympic National Park.

Summary: The Olympic Marmot is designated as the state endemic mammal.

Votes on Final Passage:

Senate	43	4
House	84	13

Effective: July 26, 2009

ESSB 5073
C 479 L 09

Improving budget transparency by consolidating accounts into the state general fund.

By Senate Committee on Ways & Means (originally sponsored by Senators Zarelli, Swecker, Benton and Parlette).

Senate Committee on Ways & Means

Background: The Health Services Account was established by the Legislature in 1993 to provide funding for health services including health care for low-income residents, the public health system, tobacco prevention and control, and the basic health plan. The primary revenue sources of the Health Services Account are cigarette and tobacco products taxes, alcohol taxes, a health insurance premium tax, and hospital business and occupation taxes.

The Health Services Account is subject to the state expenditure limit under Initiative 601.

The Violence Reduction and Drug Enforcement Account was established by the Legislature in 1989 to provide funding for public safety programs including drug and alcohol abuse prevention programs, juvenile rehabilitation programs, and local public safety grants. The primary revenue sources of the Violence Reduction and Drug Enforcement Account are cigarette and alcohol taxes, firearm license fees, the soda syrup tax, and the proceeds of drug forfeitures and seizures. The Violence Reduction and Drug Enforcement Account is subject to the state expenditure limit under Initiative 601.

The Water Quality Account was established by the Legislature in 1986 to provide funding for grants and loans to public entities for water pollution control facilities and activities. The primary revenue sources of the Water Quality Account are cigarette taxes, sales taxes on components of certain water pollution control facilities, and loan repayments. The Water Quality Account is subject to the state expenditure limit under Initiative 601.

The Public Safety and Education Account was established by the Legislature in 1984 to provide funding for traffic safety education, highway safety, criminal justice training, crime victims' compensation, judicial education and court administration, the judicial information system, civil and criminal legal representation of indigent persons, winter recreation parking, drug court operations, state game programs, and other public safety programs. The primary revenue source for the Public Safety and Education Account is court fines, fees, and forfeitures. Within the Public Safety and Education Account, the Equal Justice Subaccount provides funding for civil and criminal indigent legal representation, representation of parents in dependency and termination proceedings, and contributions to district and municipal judges' salaries. The Public Safety and Education Account is subject to the state expenditure limit under Initiative 601.

The Student Achievement Account was established in 2000 by Initiative 728 for distribution to school districts for class size reductions, extended learning opportunities, professional development for educators, and early learning assistance to children. The primary revenue sources of the Student Achievement Account are a portion of the state property tax levy and appropriations from the Education Legacy Trust Account. The Student Achievement Account is subject to the state expenditure limit under Initiative 601.

The Education Legacy Trust Account was established by the Legislature in 2005 to provide funding for education improvement efforts including deposits into the Student Achievement Fund and expenditures to expand access to higher education through new enrollments and financial aid. The primary revenue sources of the Education Legacy Trust Account are cigarette taxes and estate taxes.

The Pension Funding Stabilization Account was established by the Legislature in 2006 to provide funding for state government employer contributions to state-funded retirement systems. The sole revenue source for the Pension Funding Stabilization Account is state appropriations.

"General state revenues" is defined in the state Constitution as all state revenues that are not dedicated to a particular purpose. Thus, general state revenues consist of all revenues to the state General Fund, with the exception of property tax revenues, which are dedicated to the common school system. This definition is important because general state revenues are used as the base for purposes of calculating the state debt limit and for calculating the amount of the annual deposit that is required to be made to the Budget Stabilization Account (also known as the "rainy day fund").

Because the seven accounts described above are statutorily dedicated to particular purposes, they are not included in the calculation of general state revenues for purposes of the state debt limit and deposits to the Budget Stabilization Account.

The Health Services Account, the Violence Reduction and Drug Enforcement Account, the Water Quality Account, the Public Safety and Education Account (including the Equal Justice Subaccount), and the Student Achievement Account are included (along with the state General Fund) in the state expenditure limit under Initiative 601. The Education Legacy Trust Account and the Pension Funding Stabilization Account are not included within the state expenditure limit.

Summary: On July 1, 2009, the following state accounts are abolished and any remaining balances are transferred to the state General Fund: the Health Services Account, the Violence Reduction and Drug Enforcement Account, the Water Quality Account, the Public Safety and Education Account (including the Equal Justice Subaccount), and the Student Achievement Account. (These are the accounts that are currently subject to the state expenditure limit.)

Revenues previously deposited to these accounts will be deposited in the state General Fund. The statutory dedications of these revenues are deleted, with the exception of the monies dedicated to student achievement programs.

The addition of these revenues to the state General Fund, to the extent that these revenues are no longer statutorily dedicated to a particular purpose, will increase the state debt limit and the amount of annual deposits to the Budget Stabilization Account.

Votes on Final Passage:

Senate	47	0
House	96	0

Effective: July 1, 2009

SB 5102
C 86 L 09

Adding two district court judges in Benton county.

By Senators Hewitt, Delvin and Kline; by request of Board For Judicial Administration.

Senate Committee on Judiciary
House Committee on Judiciary

Background: Under current law, Benton county is permitted to elect three district court judges. Pursuant to RCW 3.34.020(5)(a), "[c]hanges in the number of district court judges may only be made by the legislature in a year in which the quadrennial election for district court judges is not held." Furthermore, a request for additional district court judges must go through the Administrator for the Courts, under the supervision of the Supreme Court, which then conducts a workload analysis and makes a recommendation to the Legislature. The Administrator for the Courts has found, through its objective workload analysis, that the workload for Benton County District Courts increased by 43.6 percent from 2000 to 2007 – the caseload grew from 19,812 to 28,453. Therefore, the court seeks to increase the number of district court judge positions from three to five.

Summary: Five district court judges may be elected in Benton County.

Votes on Final Passage:

Senate	49	0
House	92	2

Effective: July 26, 2009

SB 5107
C 419 L 09

Concerning energy overlay zones.

By Senator Honeyford.

Senate Committee on Environment, Water & Energy
House Committee on Technology, Energy & Communications

Background: Land Use Petition Act. The Land Use Petition Act (LUPA) provides for expedited judicial review of certain local government land use decisions. Decisions reviewable under LUPA include applications for permits required before property can be developed, sold, or used, interpretations regarding application of land use regulations to specific property, and enforcement of land use ordinances.

Under LUPA, a court may grant relief if the decision maker followed an unlawful procedure or failed to follow a required procedure. In addition, a court may grant relief if a decision erroneously interpreted the law, is not supported by substantial evidence, clearly erred in applying the law to the facts, was outside the decision maker's authority, or violated the petitioner's constitutional rights.

State Environmental Policy Act. The State Environmental Policy Act (SEPA) specifies a process to identify environmental impacts that may result from governmental decisions, including local government land use decisions. If a proposal is likely to have a significant adverse environmental impact, a local government may require an environmental impact statement (EIS) evaluating alternatives and measures to eliminate or reduce environmental impacts.

Growth Management Act. The Growth Management Act (GMA) specifies a land use planning framework for local governments. Under the GMA, counties and cities must designate and protect "critical areas," including fish and wildlife habitat conservation areas.

Energy Project Siting. Some local governments have adopted zoning regulations concerning siting of energy generating projects. Klickitat County has adopted energy overlay zone regulations that provide for siting of wind and solar energy projects based on availability of energy resources, existing infrastructure, and locations where projects can be sensitively sited and mitigated.

It is suggested that uncertainty regarding LUPA judicial review standards has unduly delayed resolution of appeals of Klickitat County land use decisions authorizing siting of wind energy projects.

Summary: Judicial standards for granting relief under LUPA are revised to provide that county land use decisions concerning renewable resource projects within a county energy overlay zone are presumed to be reasonable if they comply with requirements established by county ordinance concerning the zone. "Energy overlay zone" (zone) is defined as a plan enacted by the county legislative authority that establishes suitable areas for siting renewable resource projects based on available resources and existing infrastructure with sensitivity to adverse environmental impact. "Renewable resources" means electricity generating facilities fueled by a variety of renewable energy sources.

However, for county land use decisions concerning wind power projects, either the county zone ordinance must be consistent with Department of Fish & Wildlife wind power guidelines, or the county must have prepared an EIS concerning the zone. In the latter case, (1) the county zone ordinance must require project mitigation, addressed in the EIS and consistent with applicable law, and site specific fish and wildlife and cultural resources analysis, and (2) the county must have adopted an ordinance addressing critical areas under GMA. If a county has complied with these requirements, wind power projects permitted consistently with the zone are deemed to have adequately addressed environmental impacts under SEPA.

Votes on Final Passage:

Senate	46	0	
House	98	0	(House amended)
Senate	48	0	(Senate concurred)

Effective: July 26, 2009

ESSB 5110
C 361 L 09

Allowing wedding boutiques and art galleries to serve wine or beer to their customers who are twenty-one years of age or older.

By Senate Committee on Labor, Commerce & Consumer Protection (originally sponsored by Senators Honeyford, Schoesler, McCaslin, Hewitt, Kohl-Welles, McDermott and Holmquist).

Senate Committee on Labor, Commerce & Consumer Protection
House Committee on Commerce & Labor

Background: An entity serving alcohol for on-premise consumption must obtain the appropriate license from the Liquor Control Board (LCB). There are specific exemptions allowing an entity to serve alcohol without charge and without a license or permit from the LCB.

Summary: Wedding boutiques and art galleries may offer one glass of wine or beer without charge to customers at least 21 years of age for on-premise consumption. Wine or beer served must be purchased from a licensed retailer at full retail price. Boutiques and art galleries cannot advertise the service of complimentary wine or beer and employees involved in the service of wine or beer must complete an approved limited alcohol server training program. Definitions are provided for "art gallery" and "wedding boutique."

Votes on Final Passage:

Senate	44	3	
House	91	7	(House amended)
Senate	45	3	(Senate concurred)

Effective: July 26, 2009

SSB 5117
C 194 L 09

Establishing intensive behavior support services.

By Senate Committee on Health & Long-Term Care (originally sponsored by Senators Hargrove, Kauffman, Stevens, Kline and Marr; by request of Department of Social and Health Services).

Senate Committee on Health & Long-Term Care
House Committee on Human Services
House Committee on Health & Human Services Appropriations

Background: Children with a developmental disability may also have behaviors which are violent, disruptive, or destructive toward themselves or family members. These children may be difficult to handle when they are small, but as they age, they may become a threat to others. Families with children who have intense behavior issues have difficulty responding and, in the past, services to assist these families have been scarce. In recent years, 21 individuals under age 21 have been admitted for both short- and long-term stays to Fircrest, a residential habilitation center in Shoreline. This was due, in part, to the lack of services available in the community to support families in crisis.

In 2008 the Legislature funded in-home services to families providing specialized behavioral support. Currently the state is awaiting approval from the federal government for a Medicaid waiver to provide this program to families with children who are eligible for these services.

Summary: The Department of Social and Health Services (DSHS) must establish a program to support children with challenging behaviors to remain at home. DSHS must develop new contracts and recruit qualified providers to deliver services addressing each eligible child's unique needs. Collaboration is required between service providers, family members, schools, and health practitioners to establish effective supports for each child in multiple settings. The program must include intensive case management, evaluation, and monitoring.

Votes on Final Passage:

Senate	48	0
House	98	0

Effective: July 26, 2009

SB 5120
C 362 L 09

Regarding agricultural structures.

By Senators Fairley, McDermott and Holmquist.

Senate Committee on Government Operations & Elections
House Committee on Local Government & Housing
House Committee on General Government Appropriations

Background: The State Building Code Council (Council) was created by statute in 1974 to provide analysis and advice to the Legislature and the Governor's Office on state building code issues. The Council establishes the minimum building, mechanical, fire, plumbing, and emergency code requirements in Washington. The State Building Code Act (Act) sets forth requirements through the provision of building codes to promote the health, safety, and welfare of the occupants or users of buildings and structures throughout the state.

The Act consists of regulations adopted by reference from the International Building Code, the International Residential Code, the International Mechanical Code, the National Fuel Gas Code, the International Fire Code, and the Uniform Plumbing Code and Uniform Plumbing Code Standards. In maintaining the Act, the Council must regularly review updated versions of the codes and other pertinent information and amend the Act as deemed appropriate by the Council. The Council may also issue opinions relating to the codes at the request of a local official charged with the duty to enforce the Act.

Summary: The Legislature finds that permit and inspection fees for new agricultural structures should not exceed the direct and indirect costs associated with reviewing permit applications, conducting inspections, and preparing specific environmental documents.

Agricultural structures are structures that are designed and constructed to house farm implements, hay, grain, poultry, livestock, and other horticultural products. Agricultural structures may not be open to the public, used as a place of human habitation, or as a place of employment where agricultural products are processed, treated, or packaged.

The State Auditor must conduct a performance audit of the reasonableness of building and inspection fees in eight counties. The Auditor must choose four counties to the west, and four counties to the east of the Cascade Mountains. The State Auditor must establish and consult with a county government advisory committee, consisting of members of local governments and other interested parties as determined by the State Auditor.

The State Auditor must report to the appropriate legislative committees by December 31, 2009.

Votes on Final Passage:

Senate	44	0	
House	96	0	(House amended)
Senate	48	0	(Senate concurred)

Effective: July 26, 2009

SB 5125

C 87 L 09

Concerning the Washington horse racing commission Washington bred owners' bonus fund and breeder awards account.

By Senators Hewitt and Kohl-Welles; by request of Horse Racing Commission.

Senate Committee on Labor, Commerce & Consumer Protection
House Committee on Commerce & Labor
House Committee on General Government Appropriations

Background: Licensees of the Horse Racing Commission (Commission) must withhold and pay daily to the Commission 1 percent of the gross receipts of all parimutuel machines at each race meet. This amount is distributed by the Commission to licensed owners of Washington bred horses through the Washington Bred Owners' Bonus Fund Account.

One percent of the daily gross receipts of all parimutuel machines from exotic wagers at each race meet is used for Washington bred breeder awards which is distributed by Emerald Downs. The Commission does not have authority to distribute Washington bred breeder awards.

Summary: The Commission may collect and distribute both the Washington bred owners' bonuses and the Washington bred breeder awards. One percent of the gross receipts of all parimutuel machines from exotic wagers must be paid to the Commission at the end of a race meet and must be used by the Commission for Washington bred breeder awards. The Washington Bred Owner's Bonus Fund Account is changed to the Washington Bred Owner's Bonus Fund and Breeder Awards Account.

Votes on Final Passage:

Senate	45	0
House	94	1

Effective: July 26, 2009
August 1, 2009 (Section 4)

SSB 5130

C 10 L 09

Regarding prisoner access to public records.

By Senate Committee on Human Services & Corrections (originally sponsored by Senators Carrell, Hargrove, Swecker, Hatfield, Holmquist, Brandland, Sheldon, Tom, King, Hobbs, McCaslin, Stevens and Marr; by request of Attorney General).

Senate Committee on Human Services & Corrections
House Committee on State Government & Tribal Affairs

Background: Upon request, an agency must make its public records available for public inspection and copying unless the records fall within a specific statutory exemption. Within five business days of receiving a request, the agency must provide the record, acknowledge receipt of the request and provide a reasonable time estimate of the time required to respond, or deny the request. A person whose request has been denied, may petition the court to determine whether the agency was correct in its denial. If the court determines that the agency was not correct, the person requesting the record must be awarded all costs, including reasonable attorney fees, incurred in bringing the court action. The court may also award the petitioner a penalty award of not less than $5 and not more than $100 for each day the petitioner was denied the right to inspect or copy the public records requested.

The court may enjoin the examination of a specific public record if, upon motion by the agency or agency

representative, the court finds that such examination would clearly not be in the public interest and would substantially and irreparably damage any person or a vital government function.

Summary: The court may enjoin the examination of any nonexempt public record requested by a person serving a criminal sentence if, upon motion by an agency, a person named in the request, or a person to whom the request specifically pertains, the court finds:

- the request was made to harass or intimidate the agency or its employees;
- fulfilling the request would likely threaten the security of correctional facilities;
- fulfilling the request would likely threaten the safety or security of staff, inmates, family members of staff, family members of other inmates, or any other person; or
- fulfilling the request may assist criminal activity.

Factors to be considered by the court in making its determination are prescribed. Upon a showing by a preponderance of the evidence, the court may enjoin all or part of the request, as well as future requests, by the same requestor or an entity owned in whole or in part by the same requestor. An agency is not liable for penalties during the time period for which a court injunction is in effect even if that order is later appealed and overturned.

Votes on Final Passage:

Senate	47	0	
House	94	2	(House amended)
Senate	43	0	(Senate concurred)

Effective: March 20, 2009

SSB 5131

C 19 L 09

Concerning crisis referral services for criminal justice and correctional personnel.

By Senate Committee on Human Services & Corrections (originally sponsored by Senators Delvin, Hargrove, Brandland and Regala; by request of Lieutenant Governor).

Senate Committee on Human Services & Corrections
House Committee on Public Safety & Emergency Preparedness

Background: The Washington State Criminal Justice Training Commission (CJTC) is a state organization which establishes standards for education and training and provides education and training to law enforcement personnel.

Summary: The CJTC must offer training to public safety personnel on personal crisis recognition and crisis intervention services. The training must be a minimum of one hour of classroom or internet instruction, and must include techniques for recognizing underlying causes of personal crises, such as mental health issues, chemical dependency, domestic violence, and financial problems. The CJTC must list examples of public and private crisis referral agencies available to law enforcement personnel and describe the services which are available.

All communications between public safety employees and crisis referral services must be confidential.

Votes on Final Passage:

Senate	45	0
House	97	0

Effective: July 26, 2009

ESB 5135

C 26 L 09

Adding five district court judges in King county and reducing the number of judges in Spokane county.

By Senators Kline, Tom, McDermott and Kohl-Welles; by request of Board For Judicial Administration.

Senate Committee on Judiciary
House Committee on Judiciary

Background: Under current law, King County is permitted to elect 21 district court judges. Pursuant to RCW 3.34.020(5)(a), "[c]hanges in the number of district court judges may only be made by the legislature in a year in which the quadrennial election for district court judges is not held." Furthermore, a request for additional district court judges must go through the Administrator for the Courts, under the supervision of the Supreme Court, which then conducts a workload analysis and makes a recommendation to the Legislature. The Administrator for the Courts has found, through its objective workload analysis, that the workload for King County District Courts increased by 46 percent from 2004 to 2007. Therefore, the court seeks to phase in five new district court judge positions over the course of the next three years.

Summary: There will be 23 district judges elected in King County in 2009, 25 in 2010, and 26 in 2011. The number of district court judges in Spokane County will be reduced from ten to eight.

Votes on Final Passage:

Senate	46	1
House	96	1

Effective: July 26, 2009

SSB 5136
C 51 L 09

Regulating the use of solar energy panels by members of homeowners' associations.

By Senate Committee on Financial Institutions, Housing & Insurance (originally sponsored by Senators Hobbs, Rockefeller, Fairley, Tom, Marr, Fraser, McDermott, Shin, Sheldon, McAuliffe, Jacobsen, Kline and Hatfield).

Senate Committee on Financial Institutions, Housing & Insurance
House Committee on Judiciary

Background: Homeowners' associations generally levy and collect assessments, manage and maintain common property for the benefit of the residents, and enforce covenants that govern developments. The authority to carry out these functions comes from governing documents such as the declaration of covenants, conditions, and restrictions.

Restrictive covenants are recorded in property deeds and may regulate such broad issues as the architectural designs of homes, schemes of landscaping, the size of mailboxes, and the placement of satellite dishes or antennas. A person who purchases property within a subdivision governed by a homeowner's association and subject to restrictive covenants becomes a member of the association and generally must abide by the restrictive covenants.

Summary: Homeowners' associations' governing documents may not prohibit the installation of solar energy panels by an owner or resident on the owner's or resident's property, as long as it meets applicable health and safety standards and other requirements determined by the type of solar panel. Solar water heaters must be certified by a nationally recognized certification agency, and electricity-producing solar panels must meet certain safety and performance standards, including those set by the national electric code, accredited laboratories, and rules of the utilities and transportation commission for safety and reliability.

The governing documents may include some reasonable rules and regulations regarding the placement and aesthetic impact of solar energy panels, including restricting visibility, requiring painting, or requiring shielding of a ground mounted panel if doing so is economically feasible and does not reduce operating quality by more than 10 percent. The governing documents may also require owners or residents installing solar panels to indemnify or reimburse the association or its members for any loss or damage caused by installation, maintenance, or use of the solar panel, and may restrict or prevent installation of solar panels in common areas.

This prohibition applies retroactively and renders any inconsistent section of an existing homeowner's association's governing documents void and unenforceable.

Votes on Final Passage:

Senate	45	0
House	62	35

Effective: July 26, 2009

SB 5147
C 88 L 09

Repealing criminal libel statutes.

By Senators Kline and Rockefeller.

Senate Committee on Judiciary
House Committee on Judiciary

Background: Division II of the Washington State Court of Appeals found, in *Parmelee v. Lehman*, that Washington's criminal libel statutory scheme, RCW 9.58.010 and RCW 9.58.020, is facially unconstitutional because it prohibits true speech and false speech made without actual malice. The court further found the statutes to be unconstitutional for overbreadth. The decision of this court has not been appealed. Therefore, Division II will deem these statutes unconstitutional until the Supreme Court makes a different determination as to the constitutionality of these statutes or the Legislature modifies or repeals them. Court of Appeals Divisions I and III have not yet been faced with the task to determine the constitutionality of these statutes. Hence, there is not uniformity between the courts as to the constitutionality of these statutes.

Summary: The criminal libel statutes are repealed.

Votes on Final Passage:

Senate	44	0
House	95	1

Effective: July 26, 2009

SSB 5151
C 140 L 09

Authorizing the appointment of court commissioners to assist with criminal cases.

By Senate Committee on Judiciary (originally sponsored by Senators Kline, Rockefeller and Kohl-Welles).

Senate Committee on Judiciary
House Committee on Judiciary

Background: Article IV section 23 of the Washington State Constitution authorizes the appointment of up to three court commissioners per county. The court commissioners are appointed by the superior court and are authorized to perform the same duties as a judge of the superior court at chambers, or as otherwise provided by law to aid the administration of justice. These duties include hearing matters related to probate, hearing and making determinations for small claims appeals, issuing temporary restraining orders, presiding over arraignments and other pre-trial

matters in adult criminal cases, and performing other judicial duties as required by the judge. Court commissioner salaries are paid by the county.

In addition to the constitutionally authorized commissioners, the Legislature has authorized supplementary court commissioners to assist superior court judges in specific areas of law. These include mental health commissioners and family court commissioners. The duties of these court commissioners are limited by statute to specific powers pertinent to assisting the court in mental health or family court matters respectively. Both mental health commissioners and family court commissioners are appointed by the superior court with prior authorization of the county legislative authority. The appointment is made by majority vote of the superior court judges in the county.

Summary: The presiding superior court judge in counties with a population greater than 400,000 may appoint one or more attorneys to act as criminal court commissioners to assist the superior court in disposing of adult criminal cases. The county legislative authority must approve the creation of criminal commissioner positions.

A criminal court commissioner is provided the same power, authority, and jurisdiction as a superior court judge presiding over adult criminal cases. Criminal court commissioners are limited to the following duties: preside over arraignments, preliminary appearances, initial extradition hearings, and noncompliance proceedings; accept pleas if authorized by local court rules; appoint counsel; make determinations of probable cause; set, amend, and review conditions of pretrial release; set bail; set trial and hearing dates; authorize continuances; and accept waivers of the right to a speedy trial.

Votes on Final Passage:

Senate	43	3
House	81	17

Effective: July 26, 2009

SB 5153
C 363 L 09

Creating the uniform foreign-country money judgments recognition act.

By Senators Kline, Rockefeller and Shin; by request of Uniform Legislation Commission.

Senate Committee on Judiciary
House Committee on Judiciary

Background: The Uniform Foreign-Country Money Judgments Recognition Act (Act) was created in 1962. It provides for the enforcement of foreign country judgments in a state court in the United States. It has been enacted in 32 states. It was created to simplify international business by recognizing money judgments obtained in other nations for the purpose of enforcement. Since 1962, international trade in the United States has increased and, therefore, so has litigation in the interstate context. This has led to more judgments needing enforcement from country to country. There is currently no uniformity between states with respect to the law governing foreign-country money judgments.

Summary: A judgment entitled to full faith and credit under the U.S. Constitution is not enforceable under this Act. The relationship between "Foreign-Country Money Judgments Act" and the "Enforcement of Foreign Judgments Act" is clarified; recognition by a court is a different procedure than enforcement of a sister state judgment from within the United States.

If the statutory standards are met and the appropriate action is filed in state court, the state court will recognize a foreign country judgment. It must be shown that the judgment is conclusive, final, and enforceable in the country of origin. Some money judgments are excluded, such as judgments on taxes or fines. Foreign-country judgments will not be recognized if they come from court systems that are not impartial, dishonor due process, or there is no personal jurisdiction over the defendant or subject matter of the litigation. A final, conclusive judgment enforceable in the country of origin, if not excluded, must be recognized and enforced. A party seeking recognition of a foreign judgment has the burden of proof that the judgment is subject to the Act. A party seeking a specific ground for non-recognition has the burden of proof. If recognition is sought as an original matter, the party seeking recognition must file an action in the court. If recognition is sought in a pending action, it may be filed as a counterclaim, cross-claim, or affirmative defense in the pending action. If a foreign-country judgment can no longer be enforced in the country of origin, it may not be enforced in a court of this state. If there is no limitation on enforcement in the country of origin, the judgment becomes unenforceable 15 years after the time of judgment is effective in the country of origin.

Votes on Final Passage:

Senate	45	0	
House	94	2	(House amended)
Senate	44	0	(Senate concurred)

Effective: July 26, 2009

SB 5156
C 25 L 09

Addressing certification actions of Washington peace officers.

By Senators Brandland, McCaslin and Keiser; by request of Criminal Justice Training Commission.

Senate Committee on Judiciary
House Committee on Public Safety & Emergency Preparedness

Background: Under current law, administrative peace officer decertification actions are heard by panels that make the final administrative decisions for the Washington State Criminal Justice Training Commission.

Decertification actions requested in relation to Washington peace officers who are not peace officers of the Washington State Patrol are required to be heard by a panel consisting of one police chief, one sheriff, two peace officers who are at or below the level of first-line supervisor and are from city or county law enforcement with at least ten years experience, and one person who represents a community college or four-year college or university.

Decertification actions requested in relation to Washington State Patrol officers are required to be heard by a panel consisting of either one police chief or sheriff, one state patrol administrator, one peace officer who is at or below the level of first-line supervisor from a city or county law enforcement agency with at least ten years experience, one state patrol officer who is at or below the level of first-line supervisor with at least ten years experience, and one person who represents a community college or four-year college or university.

Decertification actions requested in relation to tribal police officers are required to be heard by a panel consisting of either one chief or one sheriff, one tribal police chief, one peace officer who is at or below the level of first-line supervisor, is from a city or county law enforcement agency, and has at least ten years experience, and one person who represents a community college or four-year college or university.

Summary: Decertification actions are renamed "certification" actions.

Peace officers that are appointed to the administrative hearing panels for certification actions must be certified Washington peace officers.

Votes on Final Passage:

Senate	45	0
House	97	0

Effective: July 26, 2009

SSB 5160
C 364 L 09

Concerning service of notice from seizing law enforcement agencies.

By Senate Committee on Judiciary (originally sponsored by Senators Kline, McCaslin and Tom).

Senate Committee on Judiciary
House Committee on Judiciary

Background: The duty of the Washington State Board of Pharmacy, the department, and their officers, agents, inspectors and representatives, law enforcement officers within the state, and prosecuting attorneys to enforce all provisions of the Uniform Controlled Substances Act is proclaimed in RCW 69.50.500. As part of this duty, any Washington State Board of Pharmacy inspector or law enforcement officer may seize real or personal property that is subject to forfeiture under the Washington laws governing violations of the controlled substances act. When property is seized under the authority of this act, notice must be served within 15 days following the seizure on the owner of the property seized and any person having any known right or interest in it. Service by mail is deemed complete upon mailing within the 15-day period following the seizure.

If no person notifies the seizing law enforcement agency of the person's claim of ownership or right to possession within 45 days of the seizure, in the case of personal property, or 90 days, in the case of real property, the item seized is deemed forfeited. A forfeiture of money, negotiable instruments, securities, or other tangible or intangible property encumbered by a bona fide security interest is subject to the interest of the secured party if, at the time the security interest was created, the secured party neither had knowledge of nor consented to the act or omission that led to the seizure. If a claim of ownership or right to possession is made within the proper time period, the person will be afforded a reasonable opportunity to be heard as to the claim or right.

Summary: When property is seized under the authority of the Uniform Controlled Substances Act, a person who wishes to assert a claim of ownership or right to possession must notify the seizing law enforcement agency within 45 days of the service of notice from the seizing agency, in the case of personal property, or within 90 days, in the case of real property. Service by mail is deemed complete upon mailing the notice of claim within the 45-day period following service of the notice of seizure in the case of personal property and within the 90-day period following service of the notice of seizure in the case of real property. If no person notifies the seizing law enforcement agency of the person's claim of ownership or right to possession within those time periods, the item seized is deemed forfeited.

Votes on Final Passage:

Senate	48	0	
House	94	2	(House amended)
Senate	44	0	(Senate concurred)

Effective: July 26, 2009

SB 5164
C 13 L 09

Placing restrictions on check cashers' and sellers' communications when collecting delinquent small loans.

By Senators Berkey, Benton, Hobbs and Parlette; by request of Department of Financial Institutions.

Senate Committee on Financial Institutions, Housing & Insurance
House Committee on Financial Institutions & Insurance

Background: In daily commerce, check cashers and sellers are usually referred to as pay-day lenders. This profession is licensed by the Department of Financial Institutions (DFI). Pay-day lenders are prohibited from using the collection practice of threatening a delinquent borrower with criminal prosecution.

A licensee may take certain actions in furtherance of the collection of a dishonored check. A one-time fee may be charged if the borrower's check is returned unpaid. The amount of this fee is set by the director of DFI by rule.

The licensee may also institute a civil suit under the Uniform Commercial Code for collection of a dishonored check. Only recovery of the cost of collection is allowed, while attorneys' fees and any other interest or damages are not allowed.

The requirements for the licensee also apply to any collection agency to which a debt owed to the check casher or seller may be assigned.

Summary: Additional collection practices by the licensee are prohibited. The scope of the prohibition of threats of legal action is broadened to include the threat of any legal action that the licensee may not legally take. Visits to the borrower's place of employment, impersonation of a law enforcement officer and impersonation of any other governmental official while collecting a loan are also prohibited.

Harassing, intimidating, abusive, or embarrassing communication with a borrower is prohibited. A presumption of harassing communication is established by the licensee's communication with the borrower more than three times a week; communication to the borrower at that person's place of employment more than once a week; communication at the borrower's residence between the hours of 9:00 p.m. and 7:30 a.m.; or communication made to someone other than the borrower. In determining what constitutes harassing communications, communications made to the borrower's spouse are considered to be communications to the borrower; and there are some exceptions.

Licensees are required to keep a log of communications that the licensee initiates with a borrower.

Communication includes any contact with a borrower initiated by the licensee, with some exclusions.

Votes on Final Passage:

Senate	45	0
House	90	2

Effective: July 26, 2009

SSB 5166
C 408 L 09

Modifying license suspension provisions for the failure to pay child support.

By Senate Committee on Human Services & Corrections (originally sponsored by Senators Regala, Stevens and Kline).

Senate Committee on Human Services & Corrections
House Committee on Judiciary

Background: Federal law requires that states have procedures allowing them to suspend or restrict the use of driver's licenses, professional and occupational licenses, and recreational and sporting licenses of individuals owing past due child support. Failure to have these procedures will result in penalties to the state's Temporary Assistance to Needy Families (TANF) Block Grant. However, within the directive of federal law, states are free to implement the procedures as they see fit.

Washington law gives the Department of Social and Human Services (DSHS) the authority to administratively issue a notice of noncompliance to a responsible parent who has failed to pay his or her support when due. The parent is notified that if he or she fails to pay the required support or contact DSHS to enter into a payment agreement, the parent's licenses may be suspended.

The parent may request a hearing before an Administrative Law Judge (ALJ). The only issue to be considered at the hearing is whether the parent is required to pay support under a child support order and whether or not the parent is in compliance with that order. If the parent does not request a hearing or make payment arrangements with DSHS within 20 days of notification, DSHS will send notice to the Department of Licensing or other licensing entity to suspend the license.

If the parent contacts DSHS, DSHS may hold the license suspension action for no more than 30 days while attempting to reach an agreement. In entering into an agreement with the parent, DSHS is directed to establish a payment schedule that considers the financial needs of the parent. A payment agreement must be for current support plus a "fair and reasonable" payment toward the parent's arrears balance.

Once the parent's license is suspended, DSHS must promptly provide the parent with a release if the parent comes into compliance.

Summary: For readability, the statute is reorganized into separate statutes to address notice to the parent, adjudicative proceedings to contest license suspension,

license suspension by DSHS, and written payment schedules.

A responsible parent may request an adjudicative hearing to contest license suspension if the parent believes he or she has made a good faith effort to comply with the support order. The ALJ may find the parent has made a good faith effort to pay, even if the parent is not technically in compliance with the support order. In that case, the ALJ has the authority to formulate a payment schedule for the parent. "Good faith effort to comply" is defined and is a determination of fact to be made by the ALJ.

When DSHS sends notice to the parent that his or her license has been suspended, DSHS must send information as to how the person may get his or her license reinstated.

In formulating a payment schedule, the payment schedule must be tailored to the individual financial circumstances of the responsible parent. The schedule may include a graduated payment plan and may require a responsible parent to engage in employment enhancing activities to attain a satisfactory payment level. The payment may be for less than current support for a reasonable period of time and is not required to include a lump sum payment towards the parent's arrears.

Votes on Final Passage:

Senate	49	0	
House	98	0	(House amended)
Senate	48	0	(Senate concurred)

Effective: July 26, 2009

SSB 5171
C 365 L 09

Modifying the Washington principal and income act of 2002.

By Senate Committee on Judiciary (originally sponsored by Senators Kline and Rockefeller; by request of Uniform Legislation Commission).

Senate Committee on Judiciary
House Committee on Judiciary

Background: The National Conference of Commissioners on Uniform State Laws (NCCUSL) is a non-profit association and drafts model uniform state laws on subjects where consistency from state to state is desirable. The Washington Uniform Legislation Commission (WULC) was created in 1905 and analyzes whether uniform laws recommended by NCCUSL and others are appropriate for incorporation into Washington laws.

Washington adopted the Uniform Principal and Income Act (UPIA) in 1971 and updated it in 2002. UPIA governs the allocation of income versus principal for the receipts and disbursements of a trust or estate. Trusts and estates have two classes of owners: those that have an interest in the entities income, and those that have an interest in the principal. The UPIA governs how a receipt or disbursement is to be categorized (principal or income) and will determine which equity interest holder is to receive the benefit of any receipt or whose interest will be reduced by a disbursement.

The WULC, working with the NCCUSL, has recommended an amendment to the UPIA to address an Internal Revenue Service (IRS) ruling on distributions from retirement plans to marital trusts.

The IRS has issued Revenue Ruling 2006-26 which found that because of the way "income" was defined in the UPIA, retirement benefits left in trust do not qualify for its safe harbor for marital deductions, unless the estate plan was specifically drafted to address this issue.

Summary: The definition of "payment" is amended to include any payment from a separate fund in certain circumstances. "Separate fund" is also defined.

The requirement that a trustee allocate to income an amount necessary to obtain a martial deduction is repealed.

A trustee, in determining the allocation of a payment made from a separate fund, must determine the internal income of each separate fund for the accounting period as if the separate fund were a trust covered by the UPIA. This applies when a trustee is determining the allocation of a payment made from a separate fund: (1) to a trust to which an election to qualify for a marital deduction has been made under the IRS Code relating to life estates for surviving spouses; (2) to a trust that qualifies for the marital deduction under IRS Code relating to life estates with power of appointment; and (3) if the series of payments qualify for the marital deduction under the IRS Code relating to survivor annuities.

A formula is provided in instances when the trustee cannot determine either the internal income or the fund's value.

Votes on Final Passage:

Senate	45	0	
House	94	2	(House amended)
Senate	46	0	(Senate concurred)

Effective: July 26, 2009

SSB 5172
C 465 L 09

Establishing a University of Washington center for human rights.

By Senate Committee on Higher Education & Workforce Development (originally sponsored by Senators Shin, Hobbs, Kastama, McAuliffe, Jarrett, Pridemore, Brown, Keiser, Jacobsen, Kohl-Welles and Kline).

Senate Committee on Higher Education & Workforce Development
House Committee on Higher Education
House Committee on Ways & Means

Background: At least ten universities in the United States have centers for human rights, including the University of Iowa, the University of Texas at Austin, and the University of California, Berkeley. Each center has a slightly different focus, but generally the centers provide an interdisciplinary location for research, policy analysis, and dialogue on human rights. Some of the centers have an internship or advocacy component. Most of the centers are located in a law school or a public policy school, but a few are located in other areas, such as international programs.

The University of Washington (UW) has a human rights program that allows students at the Seattle, Tacoma, and Bothell campuses to obtain a minor in human rights. Students can choose from a selection of courses taught across the university's three campuses.

Summary: The UW Center for Human Rights is created. The mission of the center is to expand opportunities for Washington residents to receive a world-class education in human rights, generate research data and expert knowledge to enhance public and private policymaking, and become an academic center for human rights teaching and research in the nation. Key substantive issues for the center include the rights of all persons to security against violence; the rights of immigrants, Native Americans, and ethnic or religious minorities; human rights and the environment; health as a human right; human rights and trade; the human rights of working people; and women's rights as human rights. State funds may not be used to support the Center for Human Rights. The center must report to the Legislature by December 1, 2010.

Votes on Final Passage:

Senate	28	15	
House	75	21	(House amended)
Senate	28	18	(Senate concurred)

Effective: July 26, 2009

SB 5173

C 295 L 09

Authorizing the regional universities to confer honorary doctorate degrees.

By Senators Shin, Fairley, Kastama, Sheldon, McAuliffe, Brown, Pridemore, Delvin, Hobbs, McDermott, Jarrett, Kilmer, Jacobsen and Kohl-Welles.

Senate Committee on Higher Education & Workforce Development
House Committee on Higher Education

Background: Central Washington University (CWU), Eastern Washington University (EWU), Western Washington University (WWU), and The Evergreen State College are authorized to confer honorary bachelor's and master's degrees upon persons other than graduates of their universities in recognition of the person's learning or devotion to education, literature, art, or science. Washington State University and the University of Washington may also confer honorary degrees without restriction as to level. Community and technical colleges are authorized to confer honorary associate of arts degrees.

Summary: In addition to honorary bachelor's and master's degrees, WWU, CWU, and EWU are authorized to confer honorary doctoral degrees in recognition of a person's learning or devotion to education, literature, art, or science. The restriction that these honorary degrees may only be granted to persons who did not graduate from the granting institution is removed.

Votes on Final Passage:

Senate	47	0	
House	96	1	(House amended)
Senate	42	0	(Senate concurred)

Effective: July 26, 2009

SSB 5177

C 466 L 09

Creating a global Asia institute within the Henry M. Jackson School of International Studies.

By Senate Committee on Higher Education & Workforce Development (originally sponsored by Senators Shin, Delvin, Kastama, King, Rockefeller, McAuliffe, Pridemore, Hobbs, Fraser, McDermott, Jarrett, Kilmer, Keiser, Hatfield and Roach).

Senate Committee on Higher Education & Workforce Development
House Committee on Higher Education
House Committee on Education Appropriations

Background: The Henry M. Jackson School at the University of Washington (UW) combines the social sciences, humanities, and professional fields to forge disciplinary and interdisciplinary approaches to the understanding of our increasingly interconnected globe. The Jackson School has eight National Resource Centers, which receive funding and designation from the U.S. Department of Education. These centers are devoted to outreach and public education activities for teachers, business people, and the general community. Each year the Jackson School sponsors dozens of conferences, colloquia, and seminars featuring the works of scholars, business people, and diplomats from around the world. The centers include an East Asia Center, a South Asia Center, and a Southeast Asian Center. The National Resource Centers are not permanent centers because they are partially funded through competitive grants that are awarded on a three-year basis.

Summary: A Global Asia Institute is created within the Henry M. Jackson School of International Studies. The Global Asia Institute Advisory Board must be established, and the Director of the Jackson School must appoint the Board. The mission of the institute is to promote the understanding of Asia and its interactions with Washington

State and the world. The institute must host visiting scholars and policymakers, sponsor programs and learning initiatives, engage in collaborative research projects, and facilitate broader understanding and cooperation between the state of Washington and Asia through general public programs and targeted collaborations with specific communities in the state. The Jackson School must submit a progress report on the Institute's accomplishments by December 1, 2010.

Votes on Final Passage:

Senate	41	0	
House	97	0	(House amended)
Senate	43	0	(Senate concurred)

Effective: July 26, 2009

SB 5180
C 274 L 09

Permitting public transit vehicle stops at unmarked stop zones under certain circumstances.

By Senators Haugen and Parlette.

Senate Committee on Transportation
House Committee on Transportation

Background: Under current law, it is generally a traffic infraction to stop, park, or leave standing any vehicle upon the roadway in an unincorporated area, whether attended or not. However, exceptions to this rule are specified for the following: (1) the driver of any vehicle that is disabled such that it is impossible to avoid stopping and temporarily leaving the vehicle; (2) the driver of a public transit vehicle who temporarily stops the vehicle in order to receive and discharge passengers at a marked transit vehicle stop zone; and (3) the driver of a solid waste collection company who temporarily stops the vehicle as far to the right as practical in order to collect solid waste or recyclables.

Current Department of Transportation rules allow the secretary to approve unincorporated area public transit vehicle stop zones that are not wholly off the roadway if there is adequate sight distance and a suitable site off the roadway cannot be found.

Summary: Public transportation service providers, including certain nonprofit organizations, may allow the driver of a transit vehicle to stop upon a roadway in an unincorporated area momentarily to receive or discharge passengers at an unmarked stop zone. However, the driver must (1) stop the vehicle in a safe and practicable position; (2) activate four-way flashing lights; and (3) stop at a portion of the highway with an unobstructed view for other drivers.

Votes on Final Passage:

Senate	45	0	
House	97	1	(House amended)
Senate	45	1	(Senate concurred)

Effective: July 26, 2009

SB 5184
C 27 L 09

Evaluating the need for a digital forensic crime lab.

By Senators Brandland, Hobbs, McAuliffe, Regala, Stevens, Pflug, Hewitt, King, Swecker and Roach; by request of Attorney General.

Senate Committee on Judiciary
House Committee on Public Safety & Emergency Preparedness

Background: The Washington State Patrol (WSP) is a general authority law enforcement agency. The WSP Forensic Laboratory provides a wide range of forensic science expertise to city, county, and state law enforcement officers, assisting agencies at crime scenes, preparing evidence for trial, and providing expert testimony. Currently, the WSP hosts the only digital forensics lab in Washington. Digital forensics involves the collection, preservation, and examination of evidence that is stored or transmitted in a binary, or electronic, form. This field includes not only computers, but also digital audio and video.

Virtual digital crime labs consist of the tools and resources required for digital forensic examinations, and are connected via a high-speed network. This type of crime lab enables experts, tools, and evidence to be located in different geographic locations. The virtual lab may be accessed through a single secure portal, over the Internet.

The Washington State Attorney General (AG) convened the Youth Internet Safety Task Force in August 2007 (Task Force). The Task Force is comprised of members from the fields of law enforcement, technology, education, child advocacy groups, and state and local government representatives. One of the recommendations of the Task Force is the creation of a virtual digital computer forensics lab to assist in Internet crime investigations, including child pornography investigations.

Summary: The WSP and AG must convene a work group to study the need for a virtual digital forensic lab. The study must include reviewing and evaluating the costs and effectiveness of state-of-the-art technologies used by digital forensic labs in other states. The work group must also consider advantages and disadvantages of regional and centralized digital forensic labs, and the merits of staffing such labs exclusively with uniformed officers or a mix of law enforcement and civilian personnel.

The work group must seek input from the computer software industry and representatives of existing digital forensic labs to determine how to:

- best centralize forensic analysis of electronic devices and computers;
- expedite the review of digital forensic evidence;
- increase the expertise of forensic examiners;
- allow investigating officers to conduct basic searches for information and images remotely; and

- consolidate the custody of all digital forensic evidence in a central repository so that it may be remotely accessed by law enforcement agencies.

The work group must report on its recommendations to the Legislature by October 30, 2009.

Votes on Final Passage:

Senate 47 0
House 97 0

Effective: July 26, 2009

SSB 5190
C 28 L 09

Making technical corrections to community custody provisions.

By Senate Committee on Human Services & Corrections (originally sponsored by Senators Hargrove, Stevens, Regala and Shin; by request of Statute Law Committee and Sentencing Guidelines Commission).

Senate Committee on Human Services & Corrections
House Committee on Human Services

Background: Last session, the Legislature passed HB 2719, making technical changes to the statutory provisions of the Sentencing Reform Act. The purpose of the revision was to provide greater clarification and uniformity in community custody and sentencing law. Although the bill made no substantive changes, it was a substantial reorganization of existing law. The Legislature, therefore, further required the Code Reviser to report to the 2009 Legislature on any amendments necessary to accomplish the purposes of the act.

HB 2712, addressing criminal street gangs, also passed in the 2008 session and made changes to the Sentencing Reform Act.

Summary: Statutory references are corrected where needed. The provision regarding special allegations for individuals convicted of criminal gang-related felony offenses is reworded for clarity and incorporated into the statutory section on special allegations. The roles of the Indeterminate Sentence Review Board and the Department of Corrections are clarified with regard to determinate plus sex offenders on community custody.

Votes on Final Passage:

Senate 47 0
House 97 0

Effective: August 1, 2009

SSB 5195
C 104 L 09

Adopting the life settlements model act.

By Senate Committee on Financial Institutions, Housing & Insurance (originally sponsored by Senators Berkey, Swecker, Kauffman, Hobbs, King, Marr, Haugen, Franklin, Parlette, Schoesler and Shin).

Senate Committee on Financial Institutions, Housing & Insurance
House Committee on Financial Institutions & Insurance
House Committee on General Government Appropriations

Background: The term "life settlements" involves selling a life insurance policy that is no longer wanted or needed to a third party, other than the insurance company that issued the policy. Typically, the seller receives more than the policy's cash surrender value but less than its net death benefit.

Generally, the purchasers of life insurance policies are institutions called "life settlement companies" or "life settlement providers." They may hold the policies until maturity, when the insured person dies, and collect the net death benefits. They may also resell the policies, or they may sell interests in multiple policies to hedge funds or other investors. The person selling his or her policy receives a lump sum payment. The amount of the lump sum varies depending on a range of factors including the person's age, health, and terms and conditions of the life insurance policy. The purchaser agrees to pay any additional premiums required to keep the policy in effect and receives the death benefit when the insured person dies.

The Office of Insurance Commissioner (OIC) administers the Insurance Code. That code governs all insurance and insurance transactions; however, there is no specific regulatory authority for the OIC to regulate the business of life settlements.

Summary: A life settlement contract is a written agreement between the policy owner and the third party, called the provider, that pays the owner less than the death benefit of the insurance policy in return for the policy owner's transfer of the death benefit to the provider. The minimum value of a life settlement contract must be greater than the cash surrender value of the policy or accelerated death benefit available at the time of application for the life settlement contract.

Initiating a life insurance policy for the benefit of an investor who has no insurable interest in the insured is called stranger-originated life insurance. This is a prohibited practice and unlawful.

A system of licensing providers and brokers of life settlement contracts is established under the authority of the OIC. The fee for and term of the license are established by the OIC. The OIC must investigate each applicant to determine that the applicant meets the requirements for licensure, including the provision of an anitfraud plan to the

OIC; that the applicant is competent and trustworthy and intends to transact its business in good faith; has a good business reputation; and has the education or experience to be qualified to transact the life settlements business. Life settlement brokers must complete continuing education in life settlements in the amount of 15 hours every two years, unless the broker is a life insurance producer.

The OIC conducts examination of licensees with the contents of the investigation being confidential by law and privileged. The costs of the examination are borne by the licensee.

The OIC may revoke, suspend, or refuse to renew a license if the provider has entered into any life settlement contract that the OIC has not approved, among other reasons. Before it takes any of these actions, the OIC must conduct an administrative hearing.

No life settlement contract or form, including the disclosure form, may be used unless it is approved by the OIC for compliance with general rules, advertising requirements, and disclosure requirements, among other requirements. The OIC must approve a document calculated to appraise the consumer of his or her rights as an owner of a life insurance policy. This disclosure must be included as part of the notice insurance companies must send to owners of its polices when owners become 60 years old, or older, and certain events critical to the continuation of the policy occur, such as the lapse of the policy.

Policies settled within five years of issuance must be reported to the OIC in an annual statement. Providers who willfully fail to file this annual statement are subject to penalties of up to $250 per day of delay, not to exceed $25,000 in the aggregate for each failure.

Provisions protect the insured's identity and financial and medical information.

With exceptions, entering into a life settlement contract within two years of the date of issuance of the life insurance policy is prohibited. Before executing a life settlement contract, those having a terminal illness must acknowledge that the illness was diagnosed after the life insurance policy was issued. A terminal illness is one in which death is expected within two years.

Advertising about life settlement contracts must be filed with the OIC. No advertising may expressly reference that the insurance is "free" for any period of time. Promoting the purchase of an insurance policy for the purpose of settling the policy is unlawful. A loan, secured by an interest in the life insurance policy the premiums of which policy the loan is designed to finance, is unlawful if the proceeds are in addition to the amount required to pay the principal, interest, and service charges of the policy's premiums. If the loan provides funds which can be used for purposes other than paying the premiums of the life insurance policy and the loan itself, the application must be rejected.

A disclosure document from the provider or broker to the owner must contain specified language, be a separate page, be signed by both the owner and provider or broker, and be given to the owner no later than the date of application. Another disclosure from the broker to the owner and the provider, containing specified language, must be given to the owner and provider no later than the date the contract is signed by all parties.

The OIC has rulemaking authority. The laws of the state that apply to the owner take precedence if there is a conflict with the laws of the state of the purchaser.

Votes on Final Passage:

Senate	46	1
House	98	0

Effective: July 26, 2009

SSB 5199

PARTIAL VETO

C 367 L 09

Modifying provisions regarding the operators of public water supply systems.

By Senate Committee on Environment, Water & Energy (originally sponsored by Senators Fraser, Morton, Rockefeller and Shin; by request of Department of Health).

Senate Committee on Environment, Water & Energy
House Committee on Environmental Health

Background: A Group A water system or a public water system using a surface or ground water supply under the direct influence of surface water are required to have a certified operator. The Department of Health (Department) oversees the operator certification process. The Department may revoke an operator's certificate for violations involving the portion of the public water system that stores, transmits, pumps, and distributes water to consumers or the public water system's treatment facilities.

Backflow assembly testers and cross-connection control specialists are currently regulated under the Department's general authority to protect public water systems. A backflow assembly tester inspects, tests, and monitors backflow assemblies that protect a public water system. A cross-connection control specialist develops and implements cross-connection control programs.

Summary: Backflow assembly testers and cross-connection control specialists must be certified by the Department. If the Department requires an examination as a prerequisite for the issuance of a certificate for a backflow assembly tester, a certified operator, or a cross-connection control specialist, the Department must offer the examination in both eastern and western Washington.

The Department may immediately revoke or suspend a certificate for fraud, deceit, or gross negligence involving the operation or maintenance of a public water system; or in inspecting, testing, maintenance, or repair of backflow assemblies, devices, or air gaps intended to protect a public water system from contamination, if the certificate

was obtained fraudulently or if there is an intentional violation of the rules of the Department.

A Group A water system serving fewer than 100 connections that purchases water from a water system approved by the Department must measure chlorine residuals at the same time and location of collection for coliform samples.

Votes on Final Passage:

Senate	47	0	
House	97	0	(House amended)
Senate	49	0	(Senate concurred)

Effective: July 26, 2009

Partial Veto Summary: The Governor vetoed the following:

- the provision requiring backflow assembly testers and cross-connection control specialists be certified by the Department;
- the requirement that the Department offer the prerequisite examination in both eastern and western Washington; and
- the provision that the Department may immediately revoke or suspend a certificate for fraud, deceit, or gross negligence 1) involving the operation or maintenance of a public water system or in inspecting, testing, maintenance, or repair of backflow assemblies, devices, or air gaps intended to protect a public water system from contamination; 2) if the certificate was obtained fraudulently; or 3) if there is an intentional violation of the rules of the Department.

VETO MESSAGE ON SSB 5199

May 6, 2009

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I have approved, except for Sections 1 through 7, Substitute Senate Bill 5199 entitled:

"AN ACT Relating to public water supply system operators."

Sections 1 through 7 of Substitute Senate Bill 5199 are identical to Substitute House Bill 1283 that I signed on April 25, 2009. For this reason, I have vetoed Sections 1 through 7 of Substitute Senate Bill 5199. With the exception of sections 1 through 7 Substitute Senate Bill 5199 is approved.

Respectfully submitted,

Christine O. Gregoire

Christine O. Gregoire
Governor

SB 5221

C 15 L 09

Regarding distressed property conveyances.

By Senators Tom, Honeyford, Kohl-Welles, Haugen, Kilmer and Holmquist; by request of Department of Financial Institutions and Department of Licensing.

Senate Committee on Labor, Commerce & Consumer Protection
House Committee on Judiciary

Background: With a rise in foreclosures, there is concern about "sale-leaseback transactions" or similar transactions that appear to help a homeowner facing foreclosure. A sale-leaseback transaction occurs when a purchaser represents to a homeowner facing foreclosure that if the homeowner transfers the title foreclosure will be avoided and after a certain period of time either the purchaser will transfer the title back or promise the homeowner that the homeowner will have the option to buy back the property.

Sometimes the homeowner is unaware that he or she is transferring the title or, upon transfer of title, that the purchaser may then evict the homeowner for nonpayment of rent.

Last year the Legislature passed HB 2791 which regulates this type of transaction as a "distressed home conveyance" and creates other requirements designed to protect homeowners facing foreclosure. For example, duties and requirements for purchasers, known as "distressed home consultants," are also created.

A person is a distressed home consultant if the person contacts a distressed homeowner and offers to perform certain services that the person claims will essentially save the home from foreclosure. One of the 12 services that could make a person a distressed home consultant is obtaining a purchase option on the distressed homeowner's residence within 20 days of a foreclosure sale. Another service that could make a person a distressed home consultant is if the person arranges for the distressed homeowner to stay in the residence as a lessee or tenant.

Realtors, who are required to be licensed and have a duty to act in good faith, are not exempt from the definition of distressed home consultant and, over the interim, raised concerns that the work they do in their normal course of business could be interpreted as a distressed home consultant, which triggers certain requirements. For example, a distressed home consultant owes a homeowner a fiduciary duty and the transaction must be in writing in a format proscribed by statute.

The realtor's concerns led to an informal work group consisting of state agencies, the Attorney General's Office, consumer advocates, legislators, and representatives for realtors that met to examine the issues raised by real estate brokers and salespersons.

Summary: A licensed real estate broker or salesperson is not a distressed home consultant when that person is providing services that are governed by the real estate

brokerage laws and the broker or salesperson is not engaged in activities designed to result in a distressed home conveyance.

A person is not a distressed home consultant when the person assists a homeowner in obtaining a contract to purchase the distressed home within 20 days of foreclosure and the homeowner is represented in the transaction by an attorney or a licensed real estate broker or salesperson.

A person is not a distressed home consultant when the person arranges for the homeowner to stay in the home as a lessee or tenant, if the continued residence is for no more than 20 days to arrange for a new residence and the homeowner is represented in the transaction by an attorney or a licensed real estate broker or salesperson.

The definition of "homeowner" is changed to include a person who owns and occupied the home within 180 days of the conveyance or mutual acceptance of an agreement to convey an interest in the home.

The definition of "dwelling" is changed to include condominiums, residential cooperative units and other types of residential planned unit development, and manufactured homes.

Votes on Final Passage:

Senate	48	0
House	89	0

Effective: March 25, 2009

ESSB 5228
C 29 L 09

Regarding construction projects by county forces.

By Senate Committee on Transportation (originally sponsored by Senators Haugen and Morton).

Senate Committee on Transportation
House Committee on Transportation

Background: County road construction projects may be completed through contracting out the work or, under specific criteria, the work may be completed by employees of the county, which is known as day labor. The amount of day labor a county may use is restricted based on the population and the size of the county road construction budget. For the purpose of calculating the allowed use of day labor, counties are separated into those with a population of less than 50,000 people and those with a population that is greater than or equal to 50,000 people. Additionally, they are broken into four categories based on the total amount of the county road construction budget.

Summary: The term "day labor" is removed from the language and replaced with "county forces."

For the purpose of calculating the amount of road construction that a county may do using county forces, counties are separated into four groups based on population and provided with a formula to determine the maximum amount:

- Counties with less than 30,000 people may have no more than $700,000, plus $700,000 multiplied by the previous year's motor vehicle fuel tax distribution factor in construction programs completed by county forces.
- Counties with between 30,000 and 150,000 people may have no more than $1.15 million, plus $1.15 million multiplied by the previous year's motor vehicle fuel tax distribution factor in construction programs completed by county forces.
- Counties with between 150,000 and 400,000 people may have no more than $1.75 million, plus $1.75 million multiplied by the previous year's motor vehicle fuel tax distribution factor in construction programs completed by county forces.
- Counties with more than 400,000 people may have no more than $3.25 million, plus $3.25 million multiplied by the previous year's motor vehicle fuel tax distribution factor in construction programs completed using county forces.

Votes on Final Passage:

Senate	47	0
House	97	0

Effective: July 26, 2009

SSB 5229
C 410 L 09

Regarding the legislative youth advisory council.

By Senate Committee on Early Learning & K-12 Education (originally sponsored by Senators McAuliffe, Hobbs, Franklin, Tom, King, Pridemore, Kohl-Welles, Jacobsen, Kilmer and Shin).

Senate Committee on Early Learning & K-12 Education
House Committee on State Government & Tribal Affairs
House Committee on Education Appropriations

Background: In 2005 a 22-member Legislative Youth Advisory Council (LYAC) for students between the ages of 14 and 18 was established to provide an opportunity for students to be actively involved in government. Originally, the LYAC was to expire after two years.

The program is administered by the Office of Superintendent of Public Instruction (OSPI). Duties of the LYAC consist of advising the Legislature on legislation, policy, and budget matters relating to youth; advising standing committees, commissions, and task forces on issues related to youth; conducting periodic seminars for its members on leadership, government, and the Legislature; and submitting annual reports to the Legislature with any recommendations for legislation. The LYAC meets between three and six times a year.

In the 2007 session, the process for determining members of the LYAC was changed from a selection process by legislators and the Governor to an application process. Interested students may apply by completing an online application and submitting it to the LYAC. The LYAC recommends applicants to the Office of the Lieutenant Governor for final selection, and the Lieutenant Governor notifies all the applicants of the final selections. Additionally, the expiration date for the LYAC was extended for two additional years, until June 30, 2009.

Currently the LYAC may accept grants and donations from public and private sources to support the activities of the LYAC. In the 2007-09 operating budget, $228,000 was provided to the OSPI for the operation of the LYAC.

Summary: Changes to the operation of the LYAC are made. The LYAC is authorized to solicit, not merely accept, grants and donations from public and private sources to support the activities of the LYAC. The Lieutenant Governor's selection process of the LYAC members must be done within existing staff and resources. The OSPI administration of the program and the duties of the LYAC, including meetings and travel reimbursement, are contingent on sufficient funds being available from any source. The expiration date of June 30, 2009, is removed so that there is no expiration date for the LYAC. An emergency clause is added so the legislation will take effect immediately upon signing by the Governor to avoid the expiration date of the LYAC occurring prior to the effective date of the legislation.

Votes on Final Passage:

Senate	45	2	
House	92	6	(House amended)
Senate	45	1	(Senate concurred)

Effective: May 7, 2009

SB 5233

C 105 L 09

Addressing county elected officials keeping offices at the county seat.

By Senators Delvin, Hewitt, Schoesler, Carrell, Swecker, Parlette, Stevens and Honeyford.

Senate Committee on Government Operations & Elections
House Committee on Local Government & Housing

Background: Each county's board of commissioners must provide furnished office space in the county courthouse for each of the county officers. That office is the official office for that officer. County officers include the clerk of the superior court, the sheriff, the treasurer, and the road engineer.

Summary: County boards of commissioners may provide additional office space outside the courthouse, so long as an office is maintained within the courthouse. The office in the courthouse does not need to be the official office.

Gender-specific language is replaced.

Votes on Final Passage:

Senate	47	0
House	97	1

Effective: July 26, 2009

ESSB 5238

C 30 L 09

Authorizing the department of retirement systems to assist with mailing information to certain members of the state retirement systems.

By Senate Committee on Government Operations & Elections (originally sponsored by Senators Keiser, Roach, Swecker, Fraser, McCaslin, Kohl-Welles, Honeyford, Pridemore, McDermott, Fairley, Benton and Shin).

Senate Committee on Ways & Means
Senate Committee on Government Operations & Elections
House Committee on State Government & Tribal Affairs

Background: The Department of Retirement Systems (DRS) was created in 1976 to administer the various retirement systems that provide benefits for state and local government employees in Washington. The retirement systems include the Public Employees' Retirement System (PERS); the Teachers' Retirement System (TERS); the School Employees' Retirement System (SERS); the Law Enforcement Officers' and Fire Fighters's System (LEOFF); the Washington State Patrol Retirement System (WSPRS); the Public Safety Employees' Retirement System (PSERS); the Judicial Retirement System (JRS); and the Judge's Retirement Fund (JRF).

Many of these retirement systems have retirement organizations representing the thousands of public pension system retirees. Examples of these retirement organizations include the Retired Public Employees Council of Washington, the Washington State School Retirees Association, the Retired Firefighters of Washington, and the Retired Members of the Washington Education Association.

Summary: Any organization that exclusively provides representation or services to retired members of the Washington State retirement systems and has membership dues deducted through the DRS has a right to request the DRS's assistance in doing blind mailings to retirees two times per year. Eligible mailings must provide information regarding the organization's services for members of the retirement systems eligible for membership in the organization. Mailings may not be for the purpose of supporting or opposing any political party, ballot measure, or candidate. The retiree organization must provide all the printed

materials and the envelopes to a mail processing center. The retiree organization must also pay all costs for generating mailing labels, inserting the materials into the envelopes; and sealing, labeling, and delivering the materials to be mailed to a bulk mail center or post office. The retiree organization must use its own bulk mail permit and pay all postage costs.

The DRS must provide the requested retiree data for addressing the envelopes to the mail center under a secure data share agreement with the mail center. This agreement must provide that the retiree organization or any other entity does not have direct access to the retiree's names or addresses.

The DRS does not have an obligation to approve or disapprove, or in any other way take responsibility for, the content of the mailings.

Votes on Final Passage:

Senate	42	4
House	93	4

Effective: July 26, 2009

SSB 5248
C 380 L 09

Enacting the interstate compact on educational opportunity for military children.

By Senate Committee on Ways & Means (originally sponsored by Senators Hobbs, King, McAuliffe, Brown, Kauffman, Holmquist, Tom, Shin, Hewitt, Brandland, McDermott, Jarrett, Kilmer, Haugen and Roach).

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

Background: Interstate compacts are contracts between two or more states by enacting essentially identical statutes to address common problems or promote a common agenda in a uniform manner. Generally, a state must adopt a compact in precisely the terms it is offered, with only nonmaterial changes. Once a state enters into a compact agreement, then the state may not act unilaterally when addressing the issues covered by the compact without withdrawing from the compact. Washington is a party to 30 interstate compacts, including compacts addressing corrections, natural resources, energy, transportation, and other issues.

The Interstate Compact on Educational Opportunity for Military Children (Compact) was developed by a group that included the U.S. Department of Defense (DOD), the U.S. Department of Education, national education associations, and representatives of several states. Washington was not a participant in developing the Compact. Since December 2007, the Compact has been introduced in 32 states: 11 have enacted the Compact; four created a task force to study the Compact; and one passed the Compact, but it was vetoed by the governor.

The Compact was introduced in the Washington Senate last year but was amended, and ultimately passed the Legislature, creating a 16-member task force to review and make recommendations regarding the Compact by December 1, 2008. The task force included four state legislators, an assistant attorney general, and representatives from the U.S. Department of Defense, the Office of the Superintendent of Public Instruction (OSPI), the State Board of Education, each Educational School District, and school districts with a high concentration of military children. During the 2008 interim, the task force met six times and considered each provision of the Compact, identified issues or concerns, and issued a report with recommendations to adopt the Compact and take the following additional actions:

- When state statutes are consistent with the Compact, then there is no other legislative action necessary.
- When state statutes are silent on the areas addressed by the Compact and, therefore, the decision is currently made at the discretion of the school district, then to either:
  - amend state law to align with the Compact (addressing only children from military families in transition); or
  - amend the Compact to permit some level of discretion to the school districts.
- When the state statutes are inconsistent with the Compact, then to either:
  - amend state law to align with the Compact (addressing only children from military families in transition); or
  - amend the Compact to align with state law.

Summary: The Compact is enacted with the changes recommended by the task force. The Compact and the corresponding state law changes apply only to children from military families in transition. The stated purpose of the Compact is to remove barriers to educational success imposed on children of military families because of frequent moves and deployment of their parents.

The provisions of the Compact that are consistent with state law are not summarized but include special education services, exit exams, use of national norm-referenced achievement tests, and alternative testing. The following are provisions of the Compact requiring changes to state law or changes to the Compact as recommended by the task force.

Educational Records. The Compact provides that if the sending school cannot provide the parent a copy of the official record, an unofficial copy will be provided that may be hand-carried to the school in lieu of the official record. The receiving school must use the unofficial copy to enroll and place the student while the school sends for the official record. Once requested, the sending school has ten

days to provide the official record to the receiving school. State law is amended to require school districts to furnish the unofficial copy (if requested), to permit districts to charge the actual cost of providing the copy, and to require the records to be sent in ten days. The Compact is amended to permit the official transcript to be withheld if there is an unpaid fine.

Immunizations. The Compact is amended to require students to meet the immunization documentation requirements of the State Board of Health on the first day of attendance, instead of permitting a student to start school so long as immunization occurs within 30 days.

Kindergarten and First Grade Entrance Age. The Compact provides that students must be allowed to continue at the same grade level in the receiving state, regardless of age requirements. State law is amended to eliminate the current school district discretion in assigning the grade level.

Program and Course Placement. The Compact provides that when a student transfers, the receiving state school must initially honor placement of the student in programs and courses based on the student's enrollment in or assessment by the sending state school, if "like" programs and courses are offered. Programs include Highly Capable and English as a Second Language. Courses include Honors, International Baccalaureate, Advanced Placement, vocational, technical, and career pathways courses. The receiving state may conduct subsequent evaluations to ensure appropriate placement and continued enrollment of the student. State law is amended to provide school district discretion in determining whether the program in the sending state is a "like" program. The Compact is amended to add "If space is available, as determined by the school district."

Tuition. The Compact provides that school districts are prohibited from charging tuition when the student is placed in the care of a person who lives in a jurisdiction other than that of the custodial parent. State law requiring tuition for students who live out of state is amended.

Residency. The Compact provides that a student may continue to attend a school when placed in the care of a noncustodial parent who lives in another school district. State law giving school districts the discretion to permit the student to continue attendance is amended and specifies the continuation occurs when the custodial parent is required to relocate because of military orders, and that the nonresident school district is not required to pay transportation costs unless otherwise provided by law.

Extracurricular Activities. The Compact provides that the state and school districts must facilitate the opportunity for inclusion in extracurricular activities to the extent the student is otherwise qualified. The Compact is amended to add "and space is available, as determined by the school district," and to clarify that the state agency responsible for implementing this provision is the Washington Interscholastic Activities Association.

Graduation. The Compact provides that school districts must provide alternative means of acquiring required coursework so that graduation occurs on time. States must accept exit or end-of-course exams required for graduation from the sending state; national norm-referenced achievement tests; or alternative testing, in lieu of testing requirements for graduation in the receiving state. The Compact is amended to require school districts to use best efforts to provide alternative means to graduate and to apply the exit exam provisions only to 11th and 12th graders.

The following administrative issues are addressed by the Compact:

State Council. Each state must create a State Council to coordinate the state's participation in, and compliance with, the Compact. Membership must include at least the OSPI, a superintendent of a school district with a high concentration of military children, representatives from a military installation and the Governor's Office, two legislators, and other members that the State Council deems appropriate. The State Council must appoint a military family education liaison to assist military families and the state in facilitating the implementation of this Compact. The Governor must appoint a Compact commissioner who is the voting member on the Interstate Commission. The Compact is amended to encourage the Governor to appoint a practicing K-12 educator as the commissioner.

Interstate Commission. The Interstate Commission, composed of the Compact commissioner from each member state, will create and enforce rules governing the Compact's operation and maintain a variety of policy and operations committees. The Commission may initiate legal action in the U.S. District Court of the District of Columbia or the federal district court where the Commission's office is located to enforce compliance with the Compact and the Commission's rules. The Commission must charge each member state dues based on a formula to be determined by the Commission.

Withdrawal. A member state may withdraw from the Compact by repealing the Compact; however, the Compact provides that the withdrawal must not take effect until one year after the effective date of the repeal and written notice by the Governor to each member state.

State law was amended to require the State Council to review the Compact's implementation, and by December 1, 2014, recommend whether Washington should continue to be a member of the Compact.

Votes on Final Passage:

Senate	45	0	
House	98	0	(House amended)
Senate	43	1	(Senate concurred)

Effective: July 26, 2009

SSB 5252
C 411 L 09

Addressing correctional facility policies regarding medication management.

By Senate Committee on Human Services & Corrections (originally sponsored by Senators Brandland, Hargrove and Shin).

Senate Committee on Human Services & Corrections
House Committee on Human Services

Background: The State Board of Pharmacy (Board) regulates the practice of pharmacy in the state of Washington. The Board establishes qualifications for licensure of pharmacists and promulgates rules for dispensing and distributing drugs. The Board also monitors trends and provides education in preventing the misuse of drugs.

Summary: The Board is prohibited from regulating or establishing standards for a jail that does not operate a pharmacy or correctional pharmacy.

A jail is authorized to provide for the delivery and administration of medications and medication assistance for inmates by trained personnel under certain conditions, including provision for training, consultation with a licensed pharmacist, and adoption of a policy for controlling and storing medications. Inmates must not be allowed to dispense medications.

The Department of Health must annually review the medication practices of five jails which allow medications to be delivered to inmates by non-pharmacist jail personnel.

Votes on Final Passage:

Senate	48	0	
House	97	0	(House amended)
Senate	47	0	(Senate concurred)

Effective: July 26, 2009

SSB 5261
C 31 L 09

Creating an electronic statewide unified sex offender notification and registration program.

By Senate Committee on Human Services & Corrections (originally sponsored by Senators Regala, Stevens, Hargrove and Shin).

Senate Committee on Human Services & Corrections
House Committee on Public Safety & Emergency Preparedness

Background: The Washington Association of Sheriffs and Police Chiefs (WASPC) has developed the Sex Offender Notification and Registration system (SONAR) for implementation in Washington. SONAR is designed to be a statewide data system that will:

- allow counties and the Department of Corrections to directly input sex offender information into the database so that updated information is immediately available to counties across the state;
- allow counties to utilize the system on their website to provide public access to local sex offender information as authorized by statute; and
- provide a notification system allowing citizens to request and receive notification regarding sex offenders who move within a given proximity.

WASPC anticipates bringing most counties online by February of 2009.

Summary: When funded, WASPC must implement and operate an electronic statewide unified sex offender registration and notification program.

Similar to other data and notification programs maintained by WASPC, no public employee or public agency may be held liable for the release of information so long as the release was without gross negligence.

Votes on Final Passage:

Senate	47	0
House	97	0

Effective: July 26, 2009

ESSB 5262
C 366 L 09

Allowing law enforcement access to driver's license photographs for the purposes of identity verification.

By Senate Committee on Judiciary (originally sponsored by Senators Kline, Brandland and Shin).

Senate Committee on Judiciary
House Committee on Public Safety & Emergency Preparedness
House Committee on General Government Appropriations

Background: The Department of Licensing (DOL) maintains a negative database that contains the negatives of all pictures taken by DOL. The negatives are not available for public inspection.

Currently, DOL is only authorized to make the negatives available to:

- the Secretary of State for purposes of maintaining the state voter registration database;
- government enforcement agencies to assist in the investigation of criminal activity; and
- a driver's next of kin in the event that the driver is deceased.

Summary: DOL may make negative files of pictures available to official governmental enforcement agencies for the purpose of verifying identity when the officer is

authorized by law to request identification from an individual.

Votes on Final Passage:

Senate	44	0	
House	97	0	(House amended)
Senate	45	0	(Senate concurred)

Effective: July 26, 2009

ESSB 5263
C 453 L 09

Prohibiting devices in schools that are designed to administer to a person or an animal an electric shock, charge, or impulse.

By Senate Committee on Judiciary (originally sponsored by Senators Hargrove, Brandland and Tom).

Senate Committee on Judiciary
House Committee on Judiciary

Background: Under current law, it is unlawful for anyone to carry onto, or possess on, school premises, school provided transportation, or areas used exclusively by schools, items such as firearms, dangerous weapons, nun-chu-ka sticks, throwing stars, or air guns, with some exceptions. The exceptions include:

- any student or employee of a private military academy when on the property of the academy;
- any person engaged in military, law enforcement, or school district security activities;
- any person involved in a convention, showing demonstration, lecture, or firearms safety course authorized by school authorities;
- any person participating in a firearms or air gun competition approved by the school or school district;
- any person in possession of a pistol who has a concealed pistol license, or is exempt from the licensing requirement by RCW 9.41.060, while picking up or dropping off a student;
- any nonstudent who is at least 18 and legally in possession of a firearm or dangerous weapon that is secured within an attended vehicle while conducting legitimate business at the school;
- any nonstudent who is at least 18 and is in lawful possession of an unloaded firearm that is secured in a vehicle while conducting legitimate business at the school;
- any law enforcement officer; and
- any person who possesses nun-chu-ka sticks, throwing stars, or other dangerous weapons to be used in martial arts classes authorized to be conducted on the school premises.

Anyone in violation is guilty of a gross misdemeanor. If found guilty, the person will have his or her concealed pistol license, if any, revoked for three years. Those who are convicted will be prohibited from applying for a concealed pistol license for three years. Elementary or secondary school students who violate will be subject to expulsion. Those who are at least 12 and not more than 21 years of age will be detained or confined in a juvenile or adult facility for up to 72 hours and cannot be released within that time period until that person has been examined and evaluated by the county designated mental health professional unless otherwise directed by the court.

Summary: Stun guns or portable devices used to provide electric shock, charge, or impulse are added to the list of items that are deemed unlawful for students to carry onto or possess on school premises, school provided transportation, or areas used exclusively by schools.

Mental health professionals who conduct evaluations of those who violate the prohibitions contained in this bill and who are at least 12 and not more than 21 years of age are not required to be the county-designated mental health professional, but rather are required to be the designated mental health professional.

A school security officer who is not a commissioned law enforcement officer may not possess a stun gun or other electric shock device on school property unless the person has successfully completed training in the use of the device that is equivalent to the training received by commissioned law enforcement officers.

Votes on Final Passage:

Senate	48	0	
House	75	23	(House amended)
Senate			(Senate refused to concur)
House	81	15	(House amended)
Senate	45	1	(Senate concurred)

Effective: July 26, 2009

SSB 5267
C 173 L 09

Regarding the issuance of checks by joint operating agencies and public utility districts.

By Senate Committee on Government Operations & Elections (originally sponsored by Senators Sheldon, Berkey, Morton, Kastama and Delvin).

Senate Committee on Government Operations & Elections
House Committee on Local Government & Housing

Background: Public Utility Districts. A public utility district (PUD) is a type of special purpose district authorized for the purpose of generating and distributing electricity, providing water and sewer services, and providing telecommunications services. A PUD may operate on a countywide basis or may encompass a smaller jurisdiction. However, most PUDs have jurisdictional boundaries that are coextensive with a county and function as a

regional governing body with respect to providing their statutorily authorized services to the public. There are currently 28 operating PUDs in this state, many of which provide a mix of services: 23 provide electrical services; 19 provide water and/or wastewater services; and 13 provide wholesale broadband telecommunications services. Public utility districts are governed by a board of either three or five elected commissioners.

The treasurer of the county in which a PUD is located acts as the treasurer of the district. The treasurer must establish a PUD fund for the deposit and disbursement of PUD funds. Disbursements from the fund may only be in the form of warrants which must be authorized by the PUD commission and issued by an auditor appointed by the commission.

Joint Operating Agencies. Two or more cities and/or PUDs, or combinations thereof, are authorized to form municipal corporations called Joint Operating Agencies (JOAs) for the purpose of providing electrical energy services to the public. JOAs have specified powers and authorities including the authority to:

- produce, transmit, deliver, exchange, purchase, or sell electric energy;
- construct, acquire, own, operate, and regulate facilities for the generation and/or transmission of electric energy; and
- negotiate and enter into contracts or agreements related to such statutory authority.

JOAs are generally governed by a board of directors (board), but under specified circumstances may also be subject to management by an executive board with respect to the construction, management, and control of a nuclear power plant. The board is authorized to manage and control the activities of the JOA. The board of each JOA appoints the treasurer. The treasurer is the chief financial officer of the operating agency and must make a comprehensive annual financial report to the board. The board must also appoint an auditor who reports directly to the board. All funds of the JOA are paid to the treasurer and disbursed only on warrants issued by the auditor upon orders or vouchers approved by the board. The treasurer must establish a general fund and such other funds, as necessary, that are created by the board.

Summary: If the treasurer of the district is some other person than the treasurer of the county, the board of a JOA or a PUD commission is authorized to adopt a policy for the payment of claims or other obligations by check or warrant. If the applicable fund is solvent at the time payment is ordered, payment may be made by either check or warrant. If the fund is not solvent, a warrant must be used as payment. The board or commission must designate the public depository upon which to draw checks as well as the officers required or authorized to sign checks. The term "warrant" includes checks where permitted in accordance with the provisions of the act.

Votes on Final Passage:

Senate	47	0
House	98	0

Effective: July 26, 2009

SSB 5268

C 368 L 09

Creating the fish and wildlife equipment revolving account.

By Senate Committee on Natural Resources, Ocean & Recreation (originally sponsored by Senators Swecker, Jacobsen and Shin; by request of Department of Fish and Wildlife).

Senate Committee on Natural Resources, Ocean & Recreation
House Committee on Agriculture & Natural Resources
House Committee on General Government Appropriations

Background: The predominant source of funding for Department of Fish and Wildlife (DFW) activities comes from the two primary state accounts, the General Fund and Wildlife Account, which provide over half of DFW's funding. Federal, private, and local sources also provide significant funding for agency activities, including through contracts with DFW.

In addition to the operation of its programs, DFW purchases, maintains, and repairs vehicles using these funding sources and accounts. According to DFW, the agency operates approximately 1,150 vehicles, 141 off-road vehicles, 355 vessels, and 163 pieces of heavy equipment.

Among the natural resource agencies, the Legislature has authorized the Department of Natural Resources (DNR) to manage the Natural Resources Equipment Fund. DNR is authorized to use this non-appropriated account to purchase, repair, and maintain equipment, machinery, and supplies.

Summary: The Fish and Wildlife Equipment Revolving Account (account) is created. The account is a non-appropriated account, and only the Director of Fish and Wildlife, or the Director's designee, may authorize expenditures. DFW may only use funds in the account for the purchase, lease, operation, repair, and maintenance of vehicles, vessels, and heavy equipment (collectively equipment).

DFW must reimburse the account for all expenditures from the account. DFW may choose to prorate reimbursements to the account over the useful life of the vehicle, vessel, or heavy equipment purchased. Reimbursements may come from legislative appropriations or other sources.

The terms and charges for the intra-agency use or for the disposal of equipment are solely within DFW's discretion.

Votes on Final Passage:

Senate	47	0	
House	98	0	(House amended)
Senate	45	0	(Senate concurred)

Effective: July 26, 2009

SSB 5270

C 369 L 09

Modifying voter registration provisions.

By Senate Committee on Government Operations & Elections (originally sponsored by Senators McDermott, Swecker, Fairley, Oemig, Tom and Shin; by request of Secretary of State).

Senate Committee on Government Operations & Elections
Senate Committee on Ways & Means
House Committee on State Government & Tribal Affairs
House Committee on General Government Appropriations

Background: A person seeking to vote at any primary, special, or general election must register to vote at least 30 days before the election. State law provides a late voter registration period that starts after the close of regular registration and ends on the 15th day before the election. During this late registration period, a voter must register in person at the county auditor's office, or at a location specifically designated for late registration by the auditor or Secretary of State, and must vote an absentee ballot.

A voter who registers by mail and indicates the he or she does not have a driver's license, state identification card, or Social Security number must provide one off a list of approved documents for identification purposes.

If one of the approved forms of identification is not provided at the time of voting, a provisional ballot will be issued.

A person or organization that collects voter registration applications must transmit the forms to the Secretary of State or a county auditor at least weekly.

In 2006 the U.S. District Court Western District of Washington issued a preliminary injunction prohibiting the enforcement of RCW 29A.08.107, Washington State's "matching" statute. RCW 29A.08.107 required the matching of a potential voter's name to either a Social Security Administration database or to the Department of Licensing database before allowing that person to register to vote. In *Washington Association of Churches, et. al., v. Sam Reed*, the Court found that the "matching" statute violated the Help America Vote Act (HAVA) because HAVA does not require matching as a precondition to registering to vote. In issuing its order, the court said the intent of HAVA was clear in that it "requires matching for the purpose of verifying the identity of the voter before casting or counting that person's vote, but not as a prerequisite to registering to vote." The court issued a final order and judgment against the state on March 16, 2007.

Summary: The definition of an "infamous crime" is clarified.

The definition of "service voter" is expanded to include any elector of the state of Washington who is a member of a reserve component of the armed forces.

References to "out-of-state voter" are removed.

"Identification notice" is defined as a notice sent to a provisionally–registered voter to confirm the applicant's identity.

If the driver's license number, state identification card number, or last four digits of the Social Security number provided by an applicant do not match the information maintained by the Washington Department of Licensing (DOL) or the Social Security Administration (SSA), or if the applicant does not provide a Washington driver's license, Washington state identification card, or a Social Security number, the applicant must be provisionally registered to vote.

An identification notice must be sent to the voter to obtain the correct driver's license number, state identification card number, last four digits of the Social Security number, or the voter must provide alternative identification enumerated in the act.

The ballot of a provisionally–registered voter may not be counted until the voter provides a driver's license number, a state identification card number, or the last four digits of a Social Security number that matches the information maintained by the Washington DOL or the SSA, or until the voter provides alternative identification. The identification must be provided no later than the day before certification of the primary or election.

The requirement that county auditors send an acknowledgement notice identifying a registrant's precinct within 45 days of receipt of an application or transfer is changed to 60 days.

A person or organization that collects voter registration applications must transmit the forms to the Secretary of State within five business days.

A person seeking to vote at any primary, special, or general election must submit an application not later than 29 days before the election or register in person at the county auditor's office in that person's county of residence no later than eight days before the election. An existing registration may be updated no later than 29 days before an election.

The definition of "political purpose" is moved to 29A.08.720 RCW.

Additional technical changes and are made.

Votes on Final Passage:

Senate	32	16	
House	60	37	(House amended)
Senate	32	17	(Senate concurred)

Effective: July 26, 2009

SSB 5271
C 106 L 09

Modifying provisions relating to candidate filing.

By Senate Committee on Government Operations & Elections (originally sponsored by Senators Oemig, McDermott and Swecker; by request of Secretary of State).

Senate Committee on Government Operations & Elections
House Committee on State Government & Tribal Affairs

Background: Declarations of candidacy for federal offices and offices representing the entire state must be filed with the Secretary of State (SOS).

Declarations of candidacy for the State Legislature, the court of appeals, and the superior court must be filed with the SOS if the office is in a district comprised of more than one county. If the district is comprised of voters from only one county, the declarations may be filed with either the SOS or the county auditor.

Candidates for any office with a fixed salary over $1,000 per year must pay a filing fee equal to 1 percent of the annual salary of that position, or submit a filing fee petition. A candidate for any office with an annual salary below $1,000 must pay a fee of $10. The filing fee for the office of precinct committee officer is $1.

Summary: Declarations of candidacy for the State Legislature, the court of appeals, or the superior court must be filed with the county auditor if the candidate is in a district comprised of voters from a single county. The SOS only accepts declarations of candidacy for candidates for statewide office and for multi-county offices. Corresponding fee provisions are updated accordingly.

The filing fee for the office of precinct committee officer is eliminated.

Votes on Final Passage:

Senate	44	0
House	97	0

Effective: July 26, 2009

SSB 5273
C 370 L 09

Regarding the practice of landscape architecture.

By Senate Committee on Labor, Commerce & Consumer Protection (originally sponsored by Senators Murray, Jacobsen, McDermott, Franklin and Kohl-Welles).

Senate Committee on Labor, Commerce & Consumer Protection
House Committee on Commerce & Labor

Background: Legislation enacted in 1969 requires a person who uses or advertises the title of landscape architect, landscape architecture, or landscape architectural to register with the Board of Registration for Landscape Architects. The membership of the Board of Registration for Landscape Architects consists of four landscape architects and one member of the public, all appointed by the Governor.

A "landscape architect" is defined as a person who performs professional services such as consultations, investigations, reconnaissance, research, planning, design, or teaching supervision in connection with the development of land areas where the dominant purpose of the services is the preservation, enhancement, or determination of proper land uses, natural land features, ground cover and planting, naturalistic and aesthetic values, the settings and approaches to structures or other improvements, or natural drainage and erosion control.

Prior to applying for registration, an applicant must have completed a course of study in landscape architecture and graduated from an approved college or school, or the equivalent, as determined by the Board of Registration for Landscape Architects. The applicant must also have a minimum of seven years of combined training and experience and pass a written examination. The Director of the Department of Licensing (Director) may register an applicant who is a registered landscape architect in another state or country whose requirements for registration are substantially equivalent.

The Department of Licensing (Department) regulates many businesses and professions under specific licensing laws. Each business and profession is under either the disciplinary authority of the Director, or a board or commission charged with regulating that particular profession. The Uniform Regulation of Business and Professions Act (URBPA) provides consolidated disciplinary procedures for these licensed businesses and professions.

Summary: The practice of landscape architecture is restricted to those who are licensed to practice in Washington by the State Board of Licensure for Landscape Architects (Board) and is expanded to include the preparation of construction documents and construction administration.

The practice of landscape architecture is the rendering of services where landscape architectural education,

training, experience, and the application of mathematical, physical, and social science principles are applied in consultation, evaluation, planning, design (including the preparation and filing of plans), drawings, specifications, and other contract documents, and administration of contracts relative to projects principally directed at functional and aesthetic use and preservation of land.

Requirements for Licensure. The Director licenses qualified applicants who have been certified by the Board. In order to qualify, an applicant must pass the required examination, offer satisfactory proof of completing required education and work experience, be of good moral character, and be at least 18 years old. The required education and work experience consist of either:

- a professional landscape architectural degree from an institution of higher education accredited by the National Landscape Architecture Accreditation Board or equivalent as decided by the Board, and three years of practical landscape architectural work experience under the supervision of a licensed landscape architect; or
- a high school diploma and eight years of practical landscape architectural work experience, at least six of which must be under the supervision of a licensed landscape architect. An applicant may receive up to two years of experience for related post-secondary courses.

The Director may license an applicant who is a licensed landscape architect from another state or country if the individual's qualifications and experience are determined by the Board to be equivalent to Washington's requirements. A landscape architect licensed or registered in another jurisdiction may offer to practice in Washington if:

- it is clearly and prominently stated in any offer that the landscape architect is not licensed to practice landscape architecture in Washington; and
- before practicing landscape architecture or signing a contract to provide these services, the landscape architect obtains a certificate of licensure.

A licensed landscape architect must demonstrate continuing professional education activities, as prescribed by the Board. A license of a person who is not in compliance with a child support order will immediately be suspended. The license may be reissued if the person continues to meet all other licensing requirements and the Board receives a receipt from the Department of Social and Health Services stating that the licensee is in compliance with the child support order.

Licensure Board for Landscape Architects. The Board of Registration for Landscape Architects is replaced with the Board. The membership of the Board consists of four licensed landscape architects and one member of the public. The landscape architect members must be residents of Washington and have at least eight years of experience in the field of landscape architecture. Members are appointed to six-year terms by the Governor.

The Board certifies the education and work experience of applicants and determines the content, scope, and grading process of the required examination. The Board may adopt an appropriate national examination and grading procedure.

The Board may impose disciplinary procedures under the URBPA for the following actions:

- offering to pay, paying, or accepting any substantial gift, bribe, or other consideration to influence the award of professional work;
- being willfully untruthful or deceptive in any professional report, statement, or testimony;
- having a financial interest in a contract to supply labor or materials for a project in which a person is employed as a landscape architect, unless the client consents after a full disclosure;
- allowing an interest in any business to affect a decision regarding landscape architectural work;
- signing or permitting a seal to be affixed to any drawings or specifications that were not prepared or reviewed by the landscape architect; or
- willfully evading any law, ordinance, code, or regulation governing site or landscape construction.

Exemptions from Licensure. These licensing requirements do not affect or prevent:

- the practice of architecture, land surveying, engineering, geology, forestry, or any legally-recognized profession by persons not licensed as landscape architects;
- drafters, clerks, project managers, superintendents, and other employees of landscape architects from acting under the supervision of their employers;
- the construction, alteration, or supervision of sites by contractors or superintendents employed by contractors or the preparation of shop drawings;
- contractors from engaging persons who are not landscape architects to observe and supervise site construction of a project;
- qualified professional biologists from providing services for natural site areas that also fall within the definition of landscape architecture;
- the preparation of construction documents including planting plans, landscape materials, or other horticulture-related elements;
- individuals from making plans, drawings, or specifications for any property owned by them and for their personal use;
- the design of irrigation systems; or
- landscape design on residential properties.

The Landscape Architects' License Account is created in the State Treasury.

Votes on Final Passage:

Senate	27	20	
House	62	36	(House amended)
Senate	30	18	(Senate concurred)

Effective: July 1, 2009 (Sections 17 and 19)
July 26, 2009
July 1, 2010 (Sections 1-16, 18, 20, and 21)

SSB 5276
C 207 L 09

Increasing the availability of engineering programs in public universities.

By Senate Committee on Higher Education & Workforce Development (originally sponsored by Senators Schoesler, Jarrett, Oemig, Shin and Holmquist).

Senate Committee on Higher Education & Workforce Development
House Committee on Higher Education
House Committee on Education Appropriations

Background: "Major line" at universities means the development of the work or courses of study in certain subjects leading to an undergraduate or graduate degree or degrees in that subject. Major lines offered at both Washington State University (WSU) and the University of Washington (UW) include pharmacy, architecture, civil engineering, mechanical engineering, chemical engineering, and forest management. Additional major lines at WSU include agriculture, veterinary medicine, and economic science related to agriculture and rural life. Additional major lines at UW include law, medicine, library sciences, aeronautic and astronautic engineering, fisheries, forest products and logging engineering. No other public institution of higher education may offer these major lines.

Summary: Civil engineering, mechanical engineering, and chemical engineering are no longer exclusive major lines at WSU and UW. Aeronautic and astronautic engineering are no longer exclusive major lines at UW. Undergraduate or graduate degrees in these lines of study may be offered at any institution of higher education in Washington.

Votes on Final Passage:

Senate	47	0
House	97	0

Effective: July 26, 2009

SB 5277
C 372 L 09

Regarding fees allowed as court costs in district courts.

By Senators Hatfield, Kline and Delvin.

Senate Committee on Judiciary
House Committee on Judiciary

Background: The district courts in Washington State are courts of limited jurisdiction. They have concurrent jurisdiction with superior courts over misdemeanor and gross misdemeanor violations and civil cases under $75,000. District courts have exclusive jurisdiction over small claims and infractions. Washington State has 49 district courts established in the 39 counties.

District court clerks are required by statute to collect certain fees for their official services. Some of the official services for which district court clerks collect a fee include issuance of a writ, filing a supplemental proceeding, preparation of a transcript of a judgment, certification of any document on file or of record, and preparation of the record of a case for appeal to superior court.

Summary: At the option of the district court, clerks may collect fees for the following services:

- preparing a certified copy of an instrument on file or of record in the clerk's office: $5 for the first page or a portion of the first page and $1 for each additional page;
- authenticating or exemplifying an instrument: $2 for each additional seal affixed;
- preparing a copy of an instrument on file or of record without a seal: 50 cents per page;
- copying a document without a seal or that is in an electronic format: 25 cents per page;
- copies made on a CD: $20 per CD;
- receiving faxed documents authorized by court rules: up to $3 for the first page and $1 for each additional page; and
- services such as processing ex parte orders, performing historical searches, compiling statistical reports, and conducting exceptional record searches: up to $20 per hour or portion of an hour.

Votes on Final Passage:

Senate	34	15	
House	59	39	(House amended)
Senate	33	12	(Senate concurred)

Effective: July 26, 2009

SB 5284
C 109 L 09

Concerning truth in music advertising.

By Senators Keiser, Holmquist, Kohl-Welles, Pridemore, Marr and Kauffman.

Senate Committee on Labor, Commerce & Consumer Protection
House Committee on Commerce & Labor

Background: A service mark is a word, phrase, symbol, or combination of words, phrases, or symbols that identify and distinguish the source of a service. The name of a musical recording or performing group could be a service mark.

Service marks are protected intellectual property. Service marks may, but are not required to be, registered with the U.S. Patent and Trademark Office and/or with the Washington Secretary of State. Registration provides certain advantages, including: (1) constructive notice to the public that the registrant owns the mark; and (2) a legal presumption that the registrant owns the mark and has exclusive right to use it. Ownership of a service mark may arise from use, registration, or both. A service mark owner may prevent others from using the mark for the same or similar service. An owner may also prevent others from using the mark for other services or products if such use could be confusing to consumers.

A service mark owner may lose that owner's rights to the exclusive use of a service mark if that owner abandons the service mark. Abandonment may be shown by the owner having notice of another using the service mark and failing to take action to stop the infringement.

To disseminate advertising in any form that is deceptive or misleading is a misdemeanor.

Summary: Promoting or conducting a live musical performance through advertising that claims or implies an affiliation between the performing musical group and a recording group is prohibited unless any of the following apply:

- the performance group is the owner and federal registrant of the service mark used;
- at least one member of the performing group was previously a member of the recording group and has a legal right to use the name of or affiliation to the recording group;
- the performance is promoted as a tribute to the recording group and the performance group's name is not so similar to the recording's group so as to mislead the public;
- the recording group authorized the performance; or
- the performance is not taking place in Washington.

Anyone who violates this prohibition is liable for a civil penalty of at least $5,000 up to $15,000 per violation. An action for the civil penalty or other injunctive relief may be brought by the Attorney General or a city or county prosecutor.

Votes on Final Passage:

Senate	47	0
House	97	0

Effective: July 26, 2009

SSB 5285
C 480 L 09

Revising procedures for appointment of guardians ad litem.

By Senate Committee on Human Services & Corrections (originally sponsored by Senators Regala, Hargrove, Kauffman and Stevens).

Senate Committee on Human Services & Corrections
House Committee on Judiciary
House Committee on General Government Appropriations

Background: Child Abuse Reporting. Many professionals are required by law to report suspected child abuse or neglect to the Department of Social and Health Services (DSHS). Guardians ad litem (GALs) and Court Appointed Special Advocates (CASA) who work with children are not included in that requirement.

Dependency Cases. Under the dependency statute, every GAL or CASA program must maintain a background information record (record) for each GAL or CASA in the program. The record must include:

- level of formal education;
- training related to the GAL/CASA's duties;
- number of years experience as a GAL/CASA;
- number of GAL/CASA appointments in all counties;
- names of the counties in which the GAL/CASAwas removed from the GAL/CASA program; and
- criminal history.

When a CASA or GAL is requested on a case, the program provides to the court the name of the person it recommends. The appointment becomes effective immediately. If a party reasonably believes the CASA or GAL is inappropriate or unqualified, the party may ask the program to review the appointment. If the party is not satisfied with the results of the review, the party may file a motion with the court to have the CASA or GAL removed on the grounds that the CASA or GAL is inappropriate or unqualified.

When the court requests a CASA volunteer or volunteer GAL be appointed in a case, the program must provide the name of the person it recommends and the appointment must immediately be effective. The court must appoint the person recommended by the program.

Family Court Cases. The court in a family court matter may appoint a GAL to represent the interests of a minor when the court believes the appointment of a GAL is

necessary to protect the best interests of the child. The GAL's role is to investigate and report factual information concerning parenting arrangements for the child, and to represent the child's best interests. GALs may make recommendations based upon an independent investigation regarding the best interests of the child.

Volunteer GALs. Each volunteer GAL program must maintain a background information record on each of its GALs. The information to be contained in the record is the same information that must be kept by the CASA or GAL program for dependency cases.

When a GAL is requested on a case, the program must provide the court with the name of the person it recommends and the appointment becomes effective immediately. If there is no such program or the program has insufficient volunteers, the court must appoint a suitable person to act as a GAL for the child. The process for removal of a GAL in a family court case is the same as the process for removal of a GAL or CASA in a dependency case.

Compensated GALs. Compensated GALs must comply with certain training requirements established by the Administrative Office of the Courts prior to their appointment in family court matters.

Each GAL program must establish a rotational registry system for the appointment of GALs. If a party reasonably believes the appointed GAL lacks the necessary expertise for the proceeding, charges an hourly rate higher than what is reasonable for the proceeding or has a conflict of interest, the party may move for substitution of the GAL within three days of the GAL's appointment.

The court must remove any person from the GAL registry who misrepresents his or her qualifications pursuant to a grievance procedure established by the court.

Summary: Child Abuse Reporting. GALs, including CASAs, appointed in dependency, family court, and probate matters who, in the course of their representation of children in these matters, have reasonable cause to believe a child has been abused or neglected must report suspected child abuse or neglect to DSHS.

Dependency Cases. In appointing a GAL or CASA, the court must attempt to match a child with special needs with a GAL/CASA who has specific training or education related to the child's individual needs.

The following items are added to the list of information already required in the GAL/CASA background information record:

- specific training related to the issues potentially faced by children in the dependency system;
- specific training or education related to child disability or developmental issues;
- founded allegations of child abuse or neglect; and
- the results of a national, finger print based criminal history background check.

The results of the criminal history background check cannot be disclosed to either the parties or their attorneys.

When a CASA or volunteer GAL is requested, the program must provide the court with the name of the person it recommends. The program must attempt to match a child with special needs with a GAL who has specific training or education related to the child's individual needs. The court must immediately appoint the person recommended by the program.

Family Court Cases. When appointing a GAL to represent the interests of the child, the court must attempt to match a child with special needs with a GAL who has specific training or education related to the child's individual needs.

The GALs role is to investigate and report factual information regarding the issues ordered to be reported or investigated to the court. The GAL must always represent the best interests of the child.

Compensated GAL and CASA programs must maintain a background information record for each GAL in the program. The background information record must include the following:

- level of formal education;
- training related to the GAL's duties;
- number of years experience as a GAL;
- number of GAL appointments in all counties;
- names of the counties in which the GAL was removed from the GAL program;
- criminal history for the previous ten years;
- specific training or education related to child disability or developmental issues;
- founded allegations of child abuse or neglect; and
- the results of a criminal history background check.

As with volunteer GAL or CASA programs, the background information record must be annually updated. The record must be available to the court and, upon appointment, must be provided to the parties or their attorneys, except for the results of the criminal background check. If a compensated GAL is not part of a GAL program, the GAL must provide the information required in the background information record to the court.

The court must remove any person from the GAL registry who has been found to have misrepresented his or her qualifications.

Votes on Final Passage:

Senate	37	9	
House	96	0	(House amended)
Senate			(Senate refused to concur)
House	94	0	(House amended)
Senate	48	1	(Senate concurred)

Effective: July 26, 2009

SSB 5286
FULL VETO

Regarding exemptions from the WorkFirst program.

By Senate Committee on Human Services & Corrections (originally sponsored by Senators Regala, Hargrove and Kohl-Welles).

Senate Committee on Human Services & Corrections
House Committee on Early Learning & Children's Services
House Committee on Health & Human Services Appropriations

Background: WorkFirst is Washington's program of Temporary Assistance for Needy Families (TANF). Under WorkFirst, recipients of public assistance are assessed prior to referral to job search activities. Information obtained through the assessment is used to develop an individual responsibility plan that includes an employment goal; a plan for obtaining employment as quickly as possible; and a description of services available to enable the recipient to obtain and keep employment.

Unless a good cause exemption applies, TANF recipients must be engaged in work or work activities as a condition of continued eligibility. Under Washington law, a parent with a child under the age of one year has a "good cause" reason for failure to participate in a WorkFirst program. The Department of Social and Health Services (DSHS) may require any recipient with a child under one year to participate in mental health, alcohol, or drug treatment, domestic violence services or parenting education or skills training for up to 20 hours per week, if such treatment, services, or training is indicated by its comprehensive assessment.

The good cause exemption for a parent with a child under the age of one year is limited to a maximum of 12 months over the parent's lifetime.

Summary: A parent claiming a good cause exemption from WorkFirst participation must not be required to participate in any activities during the first 90 days following the birth of a child.

DSHS can not reduce the grant to a single parent household claiming the good cause exemption due to sanction for failing to participate in activities related to mental health treatment, alcohol or drug treatment, domestic violence services, or parenting education or parenting skills training. DSHS may assign or seek out a protective payee when a parent in need of mental health or substance abuse treatment refuses to engage in treatment. DSHS must also continue its efforts to engage parents in appropriate supportive services and treatment programs.

Votes on Final Passage:

Senate	46	0	
House	60	37	(House amended)
House	57	40	(House reconsidered)
Senate	41	7	(Senate concurred)

VETO MESSAGE ON SSB 5286

May 15, 2009

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval, Substitute Senate Bill 5286 entitled:

"AN ACT Relating to exemptions from the WorkFirst program."

Under current law, the state may require a WorkFirst recipient with a child under one-year of age to get mental health treatment, alcohol or drug treatment, domestic violence services or parenting education even if the parent claims an exemption from participation in other WorkFirst activities. This bill gives the state the authority to require the parent to get help if needed, but reduces the state's ability to require participation as a condition of keeping the grant. If a parent refuses to participate, the Department of Social and Health Services (Department) could seek a volunteer to serve as a protective payee. However, under the interpretation of RCW 74.08.280 to limit liability and as a best practice, the Department would use contracted protective payees resulting in additional cost to the state.

I remain concerned about limiting the Department's ability to require a parent to receive treatment during the first ninety days. When I signed Second Substitute Senate Bill 6016 in 2007 creating the infant exemption, I signed the bill to support parents. Valuable time is lost if we wait three months to get a parent help with a drug or alcohol problem or domestic violence.

For these reasons I have vetoed Substitute Senate Bill 5286 in its entirety.

Respectfully submitted,

Christine Gregoire

Christine O. Gregoire
Governor

ESSB 5288
PARTIAL VETO
C 375 L 09

Changing provisions regarding supervision of offenders.

By Senate Committee on Human Services & Corrections (originally sponsored by Senators Hargrove, Stevens, Regala and Shin).

Senate Committee on Human Services & Corrections
House Committee on Human Services
House Committee on Ways & Means

Background: When the Sentencing Reform Act was passed by the Legislature in 1984, it contained very limited provisions for the supervision of offenders. Over time, the Legislature reinstated supervision in varying lengths of time and for varying offenses.

In 1999 the Legislature passed the Offender Accountability Act (OAA). The OAA extended community custody to all sex offenses, all violent offenses, all crimes against persons, and all felony drug offenses. It also required the Department of Corrections (DOC) to utilize a validated risk assessment and supervise offenders according to their risk level. In 2003 due to tough budget

circumstances, the Legislature restricted the types of offenders that DOC could supervise and increased earned early release for certain offenders from one-third to 50 percent of their sentence. The supervision scheme has largely remained the same since the 2003 changes.

Currently DOC must supervise any offender who has been sentenced to community custody and every misdemeanor or gross misdemeanor probationer ordered by the superior court to probation if:

- a risk assessment places the offender in one of the two highest risk categories; or
- regardless of the offender's risk category:
  - the offender or probationer has a conviction for:
    - a sex offense;
    - a violent offense;
    - a crime against persons;
    - a felony that is domestic violence;
    - residential burglary;
    - the manufacture, delivery, or possession of methamphetamine; or
    - delivery of a controlled substance to a minor;
  - the offender has a prior conviction for any of the above listed offenses;
  - the conditions of the offender's supervision include chemical dependency treatment;
  - the offender was sentenced to a First Time Offender Waiver (FTOW) or Special Sex Offender Sentencing Alternative (SSOSA); or
  - supervision is required by the Interstate Compact for Adult Offender Supervision.

DOC is prohibited from supervising any offender who does not fall within one of these categories.

DOC has utilized a validated risk instrument, the Level of Service Inventory (LSI-R), to place the offender in one of four risk categories designated as Level A, B, C, and D. Last year, the Washington State Institute for Public Policy (WSIPP) developed an improved risk assessment tool for DOC that will classify offenders as High Risk Violent, High Risk Nonviolent (property and drug), Moderate Risk, and Low Risk. DOC is in the process of implementing this new tool with its current caseload

Summary: DOC must supervise the following offenders sentenced to community custody:

- offenders who are classified at a high risk to reoffend;
- all sex offenders;
- all dangerously mentally ill offenders;
- all offenders with an indeterminate sentence;
- all offenders sentenced to Drug Offender Sentencing Alternative (DOSA), SSOSA, and FTOW; and
- all offenders required to be supervised under the Interstate Compact.

DOC must also supervise the following misdemeanants who have been sentenced to probation by a superior court:

- misdemeanant sex offenders, including those convicted of a failure to register; and
- offenders convicted of fourth degree assault or violation of a domestic violence court order and who have a prior conviction.

DOC may arrest and pursue administrative sanctions for misdemeanants who are under DOC supervision, the same as for felony offenders on community custody. Terms of community custody are changed from ranges established by the Sentencing Guidelines Commission (SGC) to periods fixed by statute as follows:

- 36 months for sex offenders, serious violent offenders, and sex offenders convicted of a felony failure to register;
- 18 months for violent offenders that did not commit a serious violent offense;
- 12 months for offenders convicted of a crime against person, drug offense, or offense involving unlawful possession of a firearm by a gang member; and
- community custody terms are unchanged for DOSA, SSOSA, and FTOW sentences.

SGC must include in its biennial report to the Legislature due December 1, 2011, an analysis of the impact of the provisions of the act on recidivism.

Votes on Final Passage:

Senate	38	8	
House	51	45	(House amended)
Senate	26	23	(Senate concurred)

Effective: July 26, 2009

Partial Veto Summary: The Governor vetoed the emergency clause requiring the act to take effect immediately.

VETO MESSAGE ON ESSB 5288

May 6, 2009

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I have approved, except for Section 18, Engrossed Substitute Senate Bill 5288 entitled:

"AN ACT Relating to the supervision of offenders."

I am vetoing the emergency clause in Section 18. I have spoken with the Department of Corrections, and have been informed that they need time to implement the changes of the bill. They have begun preparing and will be ready to implement the changes August 1, 2009, but are not able to make these changes immediately. The elimination of the emergency clause will not affect the fiscal assumptions of the bill.

For this reason, I have vetoed Section 18 of Engrossed Substitute Senate Bill 5288. With the exception of Section 18, Engrossed Substitute Senate Bill 5288 is approved.

Respectfully submitted,

Christine O. Gregoire
Governor

SB 5289
C 277 L 09

Adding a certain ferry route and roads to the scenic and recreational highway system.

By Senators Ranker, Haugen, Swecker, King, Marr, Jarrett, Hargrove and Shin.

Senate Committee on Transportation
House Committee on Transportation

Background: The Department of Transportation (DOT) is directed in statute to develop criteria for assessing scenic byways and appropriate methods for nominations and applications for the designation, and removal of the designation, of the byways. Any person may nominate a roadway, path, or trail for inclusion in the program. DOT must submit its recommendations to the Transportation Commission. The commission may designate, on an interim basis, state scenic byways. In order to become permanent, the Legislature must approve this designation.

Summary: The Washington State Ferries Anacortes/San Juan Islands route and all other state ferry routes are designated as state scenic byways.

Votes on Final Passage:

Senate	46	2	
House	79	18	(House amended)
Senate	43	3	

Effective: July 26, 2009

SSB 5290
C 32 L 09

Concerning requests made by a party relating to gas or electrical company discounts for low-income senior customers and low-income customers.

By Senate Committee on Environment, Water & Energy (originally sponsored by Senators Franklin, Brown, Fraser, Kauffman, McAuliffe, Shin, Murray, Eide, Keiser, Berkey and Regala).

Senate Committee on Environment, Water & Energy
House Committee on Technology, Energy & Communications

Background: Utilities regulated by the Washington Utilities and Transportation Commission (WUTC) are generally prohibited from offering free or reduced rates. There are exceptions for such groups as charities and "indigent and destitute persons," among others. Because no definition of "indigent and destitute persons" was provided in law, few if any gas or electric utilities were offering free or reduced rates for low-income customers prior to 1999. In that year, regulated gas and electric utilities were authorized by statute to provide discounts and other services to low-income customers and low-income senior customers.

Under the current law, only a gas or electric utility may initiate a request to approve or change a low-income program. The utility may make the request as part of a general rate case, a single rate case, or file a tariff, which would become effective after 30 days unless set for a hearing by the WUTC.

Summary: A party to a general rate case hearing, in addition to an electrical or gas company, may request changes to a gas or electric utility's program for low-income senior customers and low-income customers.

Votes on Final Passage:

Senate	45	0
House	97	0

Effective: July 26, 2009

SB 5298
C 174 L 09

Removing the penalty language from natural resource civil infractions.

By Senators Regala and Kline; by request of Parks and Recreation Commission.

Senate Committee on Judiciary
House Committee on Public Safety & Emergency Preparedness

Background: A natural resource infraction is a non-criminal offense for which a fine may be imposed. Unless specifically authorized by statute, the fine for an infraction may not exceed $500. Natural resource infractions include offenses related to fish and wildlife, public lands, forests and forest products, mines, minerals and petroleum, and public recreational lands.

The notice of infraction represents a determination that an infraction has been committed. The determination is final unless contested. Procedures for contesting an infraction are provided by rule of the supreme court, and are included on the notice of infraction.

The failure to sign a natural resource infraction notice is a misdemeanor.

Substitute House Bill 1650, which passed in 2006, repealed the signature requirement for many types of notice infractions, including infractions related to motor vehicles and other civil infractions.

Summary: The designation of a failure to sign a natural resource infraction notice as a misdemeanor is repealed.

Votes on Final Passage:

Senate	47	0
House	96	0

Effective: July 26, 2009

SB 5303
C 209 L 09

Transferring public employees' retirement system plan 2 members to the school employees' retirement system plan 2.

By Senators Hobbs, Schoesler, Holmquist, Kilmer, Fraser and Roach; by request of Select Committee on Pension Policy.

Senate Committee on Ways & Means
House Committee on Ways & Means

Background: The Public Employees' Retirement System Plans 2 and 3 (PERS 2/3) provides the broadest eligibility rules of Washington State retirement system plans. All regularly compensated employees and appointed and elected officials of included employers first employed on or after October 1, 1977, are members of PERS 2/3 unless they fall under a specific exemption. Covered employers include all state agencies and subdivisions and most local government employees not employed by the cities of Seattle, Tacoma, and Spokane. If public employees normally work enough to meet the minimum eligibility standards, at least five months in which 70 or more hours are worked, per year, and are not members of another Washington State plan they generally enter PERS 2/3.

The School Employees' Retirement System (SERS) opened on September 1, 2000. At that date, all employees of a school district or an educational service district (educational employees) that were previously in PERS Plan 2 became members of SERS Plan 2, and automatically had their service and account history transferred into SERS Plan 2. The provision that automatically transfers service credit and account history remains in effect, so that an individual that has worked in a PERS Plan 2 eligible position prior to September 1, 2000, will have his or her service credit transferred to SERS Plan 2 if the individual works in an eligible position for a SERS employer, even on a part-time basis.

The provisions of SERS Plan 2 and PERS Plan 2 are similar. However, if the plans develop different features in the future, a conflict may arise if a PERS Plan 2 member with service dating back before the creation of SERS Plan 2 does not wish to have service automatically transferred because of the differences between the plans.

Summary: The provision for the transfer of service credit from PERS Plan 2 to SERS Plan 2 upon a member's employment in a SERS Plan 2 eligible position ends August 1, 2009. Members of Plan 2 that have had service credit transferred from PERS Plan 2 to SERS Plan 2, but did not earn service credit for employment with an educational employer prior to September 1, 2000, have the option of applying to the Department of Retirement Systems between September 1, 2009, and November 30, 2009, to move service transferred to SERS Plan 2 back into PERS Plan 2.

Votes on Final Passage:

Senate	46	0
House	97	0

Effective: July 26, 2009

SB 5305
C 110 L 09

Repealing certain obsolete state retirement system statutes.

By Senators Schoesler, Fraser, Holmquist and Parlette; by request of Select Committee on Pension Policy.

Senate Committee on Ways & Means
House Committee on Ways & Means

Background: The Teachers' Retirement System provides pension benefits for teachers and administrators employed by a school district or educational service district.

Summary: Two sections of statute governing contributions to the disability reserve fund and the death benefit fund of Teachers' Retirement System Plan 1 are repealed. The statutes repealed are obsolete because death and disability benefits have been paid for from the main pension reserve fund since 1992.

Votes on Final Passage:

Senate	45	0
House	98	0

Effective: July 26, 2009

SB 5315
C 111 L 09

Extending the survivor annuity option for preretirement death in plan 1 of the public employees' retirement system to members who die after leaving active service.

By Senators Schoesler, Hobbs, Holmquist, Honeyford and Fraser; by request of Select Committee on Pension Policy.

Senate Committee on Ways & Means
House Committee on Ways & Means

Background: The Public Employees' Retirement System Plan 1 (PERS Plan 1) provides retirement benefits to all regularly compensated employees and appointed and elected officials of included employers first employed before October 1, 1977, unless they fall under a specific exemption, including coverage by another plan such as the Teachers' Retirement System (TRS), the School Employees' Retirement System (SERS), or the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF). Covered employers include all state agencies and subdivisions and most local government employees not employed by the cities of Seattle, Tacoma, and Spokane.

In TRS Plan 1 and all of the Plans 2/3, the survivor of a member who dies while eligible for but not collecting

benefits may receive a survivor annuity benefit reduced by the same method used to calculate a joint and 100 percent survivor benefit under the retirement plans. A joint and 100 percent survivor benefit is an optional form of retirement benefit that may be chosen at retirement and in other limited circumstances in most of the Washington retirement plans, providing the member an actuarially reduced benefit for the member's life and continuing at the same level for the life of the member's designated survivor. Normally, the choice of survivor benefits is made at time of application for retirement benefits, so if a member dies prior to application for retirement benefits no choice has been made.

PERS Plan 1 is the only plan among the Washington State retirement systems that provides a different benefit to the survivor of a member eligible for retirement benefits who dies in service, and the survivor of a member who is eligible for benefits, not collecting them, and has separated from retirement system-covered employment. The survivor of a member that dies while eligible and actively employed has the option of an actuarially equivalent joint and 100 percent survivor annuity. The survivor of a member that dies while inactive and eligible but not collecting retirement benefits is only entitled to a refund of member contributions.

Summary: The survivors of members of PERS Plan 1 that left active service prior to death and were eligible to begin collecting retirement benefits but had not yet done so are eligible for a optional actuarially reduced joint and 100 percent survivor option.

Votes on Final Passage:

Senate	48	0
House	98	0

Effective: July 26, 2009

SSB 5318

PARTIAL VETO

C 290 L 09

Adding additional appropriate locations for the transfer of newborn children.

By Senate Committee on Human Services & Corrections (originally sponsored by Senators Kauffman, Kohl-Welles, Keiser, Jarrett and Franklin).

Senate Committee on Human Services & Corrections
House Committee on Early Learning & Children's Services

Background: A parent who transfers a newborn child to a qualified person at the emergency room of a hospital during operating hours or to a fire station during operating hours and while fire personnel are present is not guilty of a crime. A qualified person is one the parent reasonably believes is a bona fide employee, volunteer, or medical staff member of the hospital or a firefighter, volunteer or emergency medical technician at a fire station who represents to the parent that the qualified person can and will summon appropriate resources to meet the newborn's needs.

A hospital or fire station, its employees, volunteers, and medical staff are immune from criminal or civil liability for accepting or receiving a newborn under the act.

Summary: "Federally-designated rural health clinic" is added as a location at which a parent can transfer a newborn. The current immunity provisions would also apply to the federally-designated rural health clinic and its employees and volunteers. The rural health clinic need not provide ongoing medical care to a transferred newborn and may transfer the newborn to a hospital.

Starting July 1, 2011, an appropriate location must post a sign indicating that the location is an appropriate place for the safe and legal transfer of a newborn. Appropriate locations may cover the costs of acquiring and placing signs by accepting nonpublic funds and donations.

The Department of Social and Health Services (DSHS) is to collect and compile information on the number and medical condition of newborns transferred under this act, as well as the number and medical condition of newborns abandoned and not transferred. DSHS is to report to the Legislature annually starting January 1, 2011.

Votes on Final Passage:

Senate	40	7	
House	93	5	(House amended)
Senate	40	7	(Senate concurred)

Effective: July 26, 2009

Partial Veto Summary: The provision requiring DSHS to collect and compile information regarding newborns and provide an annual report is vetoed.

VETO MESSAGE ON SSB 5318

April 30, 2009

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning, without my approval as to Section 2, Substitute Senate Bill 5318 entitled:

"AN ACT Relating to adding additional appropriate locations for the transfer of newborn children."

Section 2 of this bill requires the Department of Social and Health Services to collect and compile information, and to report annually to the Legislature beginning January 1, 2011 regarding the number and medical condition of newborns transferred at appropriate locations and newborns who are abandoned.

Legislators may well wish to request ad hoc reports from the department on this topic for the next few years to monitor the implementation of this legislation, but it is likely that, over time, the data in the report will not vary much from year to year. Legislative members and staff are likely to be uninterested in reading such a report even as the department must continue to produce it. I do not believe it is necessary to require this reporting requirement in statute.

For these reasons, I have vetoed Section 2 of Substitute Senate Bill 5318.

With the exception of Section 2, Substitute Senate Bill 5318 is approved.

Respectfully submitted,

Christine O. Gregoire
Governor

ESSB 5321
C 550 L 09

Extending a local sales and use tax that is credited against the state sales and use tax.

By Senate Committee on Ways & Means (originally sponsored by Senators Prentice, Kline, Pflug, Berkey, Shin, Hobbs, McAuliffe, Tom, Keiser, Jarrett and Kauffman).

Senate Committee on Ways & Means
House Committee on Finance

Background: In 2006 legislation was enacted allowing a city to impose a sales and use tax to provide, maintain, and operate municipal services within a newly annexed area. The tax is a credit against the state sales tax, so it is not an additional tax to a consumer. The tax is for cities that annex an area where the newly received revenues received from the annexed area do not offset the costs of providing services to the area.

There are several requirements that have to be met before a city may impose the tax. The city must:

- have a population less than 400,000;
- be located in a county with a population greater than 600,000;
- annex an area consistent with its comprehensive plan;
- commence annexation of an area having a population of at least 10,000 prior to January 1, 2010; and
- adopt a resolution or ordinance stating that the projected cost to provide municipal services to the annexation area exceeds the projected general revenue the city would otherwise receive from the annexed area on an annual basis.

The tax rate is 0.1 percent for each annexation area with a population between 10,000 and 20,000 and 0.2 percent for an annexation area over 20,000. The maximum cumulative tax rate a city can impose is 0.2 percent. The tax must be imposed at the beginning of a fiscal year and must continue for no more than ten years from the date it is first imposed.

All revenue from the tax must be used to provide, maintain, and operate municipal services for the annexation area. The revenues may not exceed the difference of the amount the city deems necessary to provide services for the annexation area and the general revenue received from the annexation. If the revenues do exceed the amount needed to provide the services, the tax must be suspended for the remainder of the fiscal year.

Prior to March 1 of each year, the city must notify the Department of Revenue of the maximum amount of distributions it is allowed to receive for the upcoming fiscal year.

Summary: The sales tax credit is extended for cities annexing qualifying areas until 2015. The requirement that a city have a population less than 400,000 in order to impose the sales and use tax is eliminated.

The rate of 0.85 percent is allowed for any city that has designated an area as a potential annexation area (PAA) if a city with a population greater than 400,000 has also designated the area as a PAA. In this case the maximum credit in a year must not exceed $5 million.

A city that has commenced annexation of enough areas prior to 2010, which would have allowed them to exceed the 0.2 percent limit, may receive an additional 0.1 percent sales tax credit beginning July 1, 2011.

Bellevue, may qualify for a sales tax credit of 0.1 percent if it annexes an area of over 4,000 persons.

If at the time of annexation, a house banked card room exists in the annexed area, the annexing city must allow the house banked card room to continue operations even if it has an ordinance that does not allow for such a business.

Votes on Final Passage:

Senate	41	6	
House	56	42	(House amended)
Senate			(Senate refused to concur)
House	54	41	(House amended)
Senate	37	11	(Senate concurred)

Effective: July 26, 2009

SB 5322
C 112 L 09

Creating a five-member option for civil service commissions for sheriffs' offices.

By Senator Fairley.

Senate Committee on Government Operations & Elections
House Committee on Local Government & Housing

Background: The Civil Service Commission (Commission) for sheriffs' offices consists of a three-person commission appointed by the board of county commissioners for the county within which the sheriff's office is located. Commissioners serve six-year terms. Each Commission has multiple duties and responsibilities, including the duty to:

- make suitable rules and regulations providing in detail the manner in which examinations may be held, and promotions, appointments, suspensions, and discharges must be made;
- inspect all offices, departments, places, positions, and employments under the Commission's jurisdiction;

- hear and determine appeals or complaints respecting the allocation of positions or the rejection of an examinee; and
- provide for, formulate, and hold competitive tests to determine the relative qualifications of a person who seeks employment in any class or position under the Commission's jurisdiction.

The Commission must meet at least once per month. At the time of appointment not more than two commissioners must be adherents of the same political party. Two members of the Commission constitute a quorum and the votes of any two members concurring is sufficient for the decision of all matters transacted by the Commission.

Summary: A Civil Service Commission for sheriffs' offices consisting of five members may be established by ordinance.

If a five-member commission is established, the terms of the present commission members do not change.

Three members of a five-member commission constitute a quorum, and the votes of three members concurring is sufficient for the decision of all matters transacted by the commission.

At the time of appointment of the two additional commissioners, not more than three commissioners may be adherents of the same political party.

Votes on Final Passage:

Senate	47	0
House	95	2

Effective: July 26, 2009

SSB 5326
C 210 L 09

Concerning notice to individuals convicted of a sex offense as a juvenile of their ability to terminate registration requirements.

By Senate Committee on Human Services & Corrections (originally sponsored by Senator Regala; by request of Sentencing Guidelines Commission).

Senate Committee on Human Services & Corrections
House Committee on Human Services

Background: A sex or kidnapping offender who committed his or her crime as a juvenile may petition the superior court to be relieved of the duty to register. The court must consider the nature of the offense committed by the petitioner as well as relevant conduct by the petitioner since the date of the offense. Standards differ depending on how old the petitioner was when the crime was committed.

- If the petitioner was 15 or older, the petitioner must show by clear and convincing evidence that future registration will not serve the interests of public safety.
- If the petitioner was under the age of 15 when the crime was committed, the court may relieve the petitioner of the duty to register if that person has not committed another sex offense for two years and can show by a preponderance of the evidence that future registration will not serve the interests of public safety.

This provision does not apply to a juvenile prosecuted as an adult.

Summary: No less than annually, the Washington State Patrol (WSP) must notify sex and kidnapping offenders who committed their crime as a juvenile of their ability to petition for relief from registration. The WSP may combine the notice with the annual notice that it already sends out.

Votes on Final Passage:

Senate	47	0
House	89	8

Effective: July 26, 2009

SSB 5327
C 107 L 09

Making technical corrections to election provisions.

By Senate Committee on Government Operations & Elections (originally sponsored by Senators Oemig, Swecker, Regala, McDermott and McAuliffe; by request of Secretary of State).

Senate Committee on Government Operations & Elections
House Committee on State Government & Tribal Affairs

Background: In 2003 the Legislature reorganized and streamlined the election procedures statutes that were in Title 29 RCW. The result is the current Title 29A RCW which now contains the laws establishing procedures for the conduct of elections.

Each member of a school board is elected by the registered voters of the school district and holds office for a term of four years and until a successor is elected and qualified. Up until 2003 first-class school districts containing a first-class city located in a county with a population of at least 210,000 could elect school board members for terms of six years.

Persons wishing to appear on a ballot for election to office other than the President or Vice President of the United States must file a declaration of candidacy. Unless otherwise provided, the filing period must begin no earlier than the first Monday in June and no later than the following Friday in the year in which the office is scheduled to be voted upon.

Summary: A first-class school district containing a first-class city located in a county with a population of 210,000 or more must hold school board elections on a biennial

basis. School board members may be elected for six-year terms and serve until their successor is elected, qualified, and assumes office. If the school board reduces the length of terms from six years to four years, the reduction in the length of the term must not affect the term of office of any incumbent school board member without that person's consent. In addition, a provision must be made to appropriately stagger future elections. These provisions apply retroactively to July 1, 2004.

The declaration of candidacy filing period for city and town elective positions must be between 45 and 60 days prior to the primary election at which the initial elected officials are nominated. Any candidate may withdraw his or her declaration at any time within five days after the last day allowed for filing a declaration of candidacy.

Votes on Final Passage:

Senate	45	0
House	84	13

Effective: April 16, 2009

SSB 5340

C 278 L 09

Concerning internet and mail order sales of tobacco products.

By Senate Committee on Labor, Commerce & Consumer Protection (originally sponsored by Senators Prentice, Regala, Pflug, Shin and Parlette; by request of Attorney General).

Senate Committee on Labor, Commerce & Consumer Protection
House Committee on Health Care & Wellness
House Committee on General Government Appropriations

Background: The sale of cigarettes to a minor and the purchase of cigarettes by a minor is a violation of state law.

In Washington, under the Delivery Sale of Cigarettes statute, a person who mails, ships or otherwise delivers cigarettes must verify the age of the receiver of cigarettes upon delivery. Additionally, a person who mails, ships, or otherwise delivers cigarettes must contract only with carriers who employ delivery agents who will verify that the receiver of the cigarettes is not a minor upon delivery.

A recent United States Supreme Court case held that Maine's similar statute, which required the tobacco retailers to use a delivery service that confirmed that the recipient must be of legal age to purchase tobacco products, is pre-empted by the Federal Aviation Administration Authorization Act of 1994, as it is "related to" a motor carrier price, route, or service. *Rowe v. New Hampshire Motor Transport Association*, 552 U.S. ____ (2008). The Court found that the state statute requires motor carrier operators to perform certain services that result in enlisting the motor carriers to enforce the state law. Imposing such requirements was held to be pre-empted by federal law.

Summary: The cigarette delivery sale statute is repealed.

A person may not ship tobacco products, other than cigars weighing more than three pounds for 1,000 units, purchased by mail or through the internet to anyone in Washington other than a licensed wholesaler or retailer. A person may not, with knowledge, provide substantial assistance to someone violating this tobacco shipping restriction.

The "Internet" is defined to mean computer, telephonic, or other electronic networks.

The Attorney General may seek an injunction to restrain a threatened or actual violation of the tobacco shipping restriction. In addition to any civil or criminal remedy provided by law, a violation of the tobacco shipping restriction is:

- punishable as an unranked class C felony for a knowing violation, except that the maximum fine is $5,000;
- subject to a civil penalty of up to $5,000 for each violating shipment, to be imposed by the Attorney General in an action in superior court; and
- subject to a Consumer Protection Act action, if the action is brought by the Attorney General.

A court may order a violator to disgorge profits or other gains to be paid to the State Treasurer for deposit in the State General Fund. The state is entitled to recover costs of investigation, expert witness fees, costs of the action, and reasonable attorneys' fees in any action brought under the tobacco shipping restrictions.

Votes on Final Passage:

Senate	47	0	
House	90	7	(House amended)
Senate	37	9	(Senate concurred)

Effective: July 26, 2009

SSB 5343

C 113 L 09

Exempting specified persons from restrictions on marketing estate distribution documents.

By Senate Committee on Judiciary (originally sponsored by Senators Regala, Carrell and Kline).

Senate Committee on Judiciary
House Committee on Judiciary

Background: It is unlawful for anyone who is not authorized to practice law in this state to market estate distribution documents. An estate distribution document is one of the following documents, prepared for a specific person or as marketing materials for distribution to any person: will, trust, living trust, or other agreement fixing the terms of sale of a decedent's interest in any property at or following

the decedent's death. "Market" means an offer or agreement to prepare or gather information for preparation, or to provide individualized advice about an estate distribution document.

Financial institutions, such as banks, trust companies, and credit unions are exempt from the prohibition against marketing estate distribution documents by those not authorized to practice law.

The unauthorized marketing of estate distribution documents is also a per se violation of the state Consumer Protection Act. A person who is injured by a violation of the Consumer Protection Act may recover treble damages, costs, and reasonable attorneys' fees.

A certified public accountant (CPA) is a person holding a public accountant license certified by the Washington State Board of Accountancy. Certified public accountants provide a range of services to clients, including accounting assistance, the issuance of reports on financial statement, management and financial advisory services, tax preparation, and estate or financial planning.

Summary: Certified or licensed public accountants and enrolled agents gathering information for the preparation of an estate distribution document are exempt from the law proscribing the marketing of estate distribution documents.

"Gathering information for the preparation of an estate distribution document" is defined as collecting data, facts, figures, records, and other particulars about a specific person or persons for the preparation of an estate planning document, but it does not include the collection of such information for clients in the customary and usual course of financial, tax, and associated planning.

Votes on Final Passage:

Senate	48	0
House	96	1

Effective: July 26, 2009

ESSB 5344

C 11 L 09

Concerning emergency response towing vessels.

By Senate Committee on Environment, Water & Energy (originally sponsored by Senators Ranker, Swecker, Rockefeller, Marr, Hargrove, Pridemore, Fraser, Shin, McDermott and Kilmer).

Senate Committee on Environment, Water & Energy
House Committee on Ecology & Parks

Background: Certain "covered" vessels – oil tankers and large cargo and passenger vessels – must file contingency plans with the Department of Ecology (DOE) describing how they will contain and remediate potential oil spills. DOE may penalize covered vessels if they operate without an approved contingency plan or violate a plan's provisions.

The state has funded an emergency response tug at Neah Bay since 1999 to protect the Strait of Juan de Fuca and Washington's western coast from oil spills. The tug has assisted more than 40 vessels in distress.

Summary: By July 1, 2010, covered vessels transiting to or from a Washington port through the Strait of Juan de Fuca (Strait) must establish and fund an emergency response tug stationed at Neah Bay. The tug must be available to serve vessels in distress, including noncovered vessels, in the Strait and off of the state's western coast. It must also meet certain operating standards.

Covered vessels transiting no further west in the Strait than Victoria, British Columbia, are excluded from the requirement.

The requirement is met if covered vessels provide a requisite tug or the U.S. government implements protective measures that DOE determines to be substantially equivalent.

Contingency Plans. Covered vessels subject to the requirement must provide for a tug in their contingency plans by December 1, 2009. An initial contingency plan submitted after that date must demonstrate compliance.

Operating Standards. An emergency response tug must be:

- able to be underway within 20 minutes of a decision to deploy;
- able to deploy at any time and safely manned to remain underway for at least 48 hours;
- capable, in severe weather conditions (i.e., sustained winds of 40 knots and waves of 12 to 18 feet), of making up to, stopping, holding, and towing a vessel of 180,000 metric dead weight tons, and holding position within 100 feet of a vessel;
- equipped with and maneuverable enough to use a ship anchor chain recovery hook and line throwing gun;
- capable of a bollard pull of at least 70 short tons; and
- equipped with damage control patching, vessel dewatering, air safety monitoring, and digital photography equipment.

Practice Drills. DOE may test tug adequacy through practice drills, which it may conduct without prior notice. Drills must emphasize ability to respond to a potentially worst-case vessel emergency scenario. "Vessel emergency" means a substantial threat of pollution originating from a covered vessel, including loss or serious degradation of propulsion, steering, means of navigation, primary electrical generating capability, and seakeeping capability.

DOE Contracting. DOE may contract with an emergency response tug to respond to a potential emergency or as a precautionary measure during severe storms. All DOE use must be paid from the State Oil Spill Response Account, subject to existing requirements that monies be spent only after appropriation and that DOE must make

reasonable efforts to obtain response costs from responsible parties.

Deployment Reports. Covered vessels must submit reports to DOE regarding tug deployments, including photos, detailed incident descriptions, and actions taken to render assistance.

Umbrella Coverage Organizations: Legislative Intent; Notice to DOE. The tug requirement may be fulfilled by one or more private organizations or nonprofit cooperatives providing umbrella coverage to covered vessels. The Legislature encourages the maritime industry to identify or form a single organization allowing all covered vessels to equitably share costs. The Legislature finds that, given the broad variety of covered vessels, equitable cost sharing will likely mean that not all covered vessels will provide uniform funding. Any organization should consider multiple factors. Any operator believing that an organization does not equitably share costs may either contract directly with a tug or form or join an organization representing the appropriate maritime industry segment.

If an operator chooses not to join an umbrella organization, or finds that negotiations are not progressing adequately, the Legislature requests that the operator contact DOE and provide notice of their concern regarding the organization's failure to establish equitable cost-sharing. DOE will collect and maintain the notices, summarize reports received, and report summaries to the Legislature, upon request.

Umbrella Coverage Organizations: Cost Apportionment. Covered vessels (including oil tankers, tank barges, tug and oil barge combinations, cargo vessels, and passenger vessels) will negotiate equitable cost apportionment. Participants will provide progress reports to the Legislature by October 31 and December 1, 2009, with available information regarding anticipated average annual cost, methodology for determining costs for each class of covered vessel, and any impediment to equitable cost apportionment. Factors for determining annual cost include crediting enhanced navigational or structural characteristics, appropriate limits for vessels frequently transiting the Strait, and current economic conditions. If covered vessels fail to achieve these goals or choose not to report outcomes, by December 1, 2009, DOE must deliver summaries to the Legislature of any operator reports regarding an umbrella organization's failure to establish equitable cost sharing.

DOE Discussions with British Columbia. DOE must initiate discussions with British Columbia to explore options for Washington and British Columbia to share marine response assets required under the act. DOE must report progress or outcomes to the Legislature by January 1, 2011.

Votes on Final Passage:

Senate	44	4	
House	74	23	(House amended)
Senate	39	4	(Senate concurred)

Effective: July 26, 2009.

2SSB 5346

C 298 L 09

Concerning administrative procedures for payors and providers of health care services.

By Senate Committee on Ways & Means (originally sponsored by Senators Keiser, Franklin, Marr, Parlette, Murray and Kohl-Welles).

Senate Committee on Health & Long-Term Care
Senate Committee on Ways & Means
House Committee on Health Care & Wellness
House Committee on Ways & Means

Background: At the request of the Blue Ribbon Commission on Health Care Costs and Access, the Office of the Insurance Commissioner (OIC) initiated steps to identify the administrative costs associated with health care, and legislation passed in 2007 directed the OIC to formally report on opportunities to lower administrative expenses. The 2008 Legislature directed the OIC to convene a work group of health care providers, carriers, and payers, and identify the five highest priority goals for achieving significant efficiencies and reducing health care administrative costs.

The five highest priority goals for achieving efficiencies and reducing health care administrative costs have been identified in a report submitted to the Legislature. These goals:

1. establish a standardized process and central data source for provider credentialing and other provider demographic data needs;
2. amend state regulations regarding coordination-of-benefits claims processing to eliminate estimated payment requirements;
3. expand electronic sharing of patient eligibility and benefits information and efficient patient cost share collection processes;
4. standardize use of preauthorization requirements and introduce transparency where standardization is not reasonable; and
5. standardize code edits and payment policies, and introduce transparency of variations where standardization is not reasonable.

The report recommends that the state establish a formal public-private partnership to develop and promote standards for simplifying these top priority administrative processes.

Summary: The Insurance Commissioner must designate a lead organization to identify and convene work groups to define key processes, guidelines, and standards by December 31, 2010. The Insurance Commissioner is directed to participate in and review the work of the lead organization,

adopt rules and draft any necessary legislation, form an executive level work group, and consult with the Office of the Attorney General to determine whether an antitrust safe harbor is necessary to enable carriers and providers to develop common rules and standards.

The lead organization must develop a uniform electronic process for collecting and transmitting provider data to support credentialing, admitting privileges, and other related processes that will serve as the source of credentialing information. The work must assure that data used in the uniform electronic process can be electronically exchanged with the Department of Health's professional licensing process, and is interoperable with other relevant systems.

The lead organization must establish a uniform standard companion document and data set for electronic eligibility and coverage verification. Patient information must provide detailed information on the eligibility, and the benefit coverage and cost-sharing requirements that assist the provider with collection of the patient cost-sharing.

The lead organization must develop implementation guidelines for the use of code edits, including use of the National Correct Coding Initiative code edit policy, publication of any variations in codes, and use of the Health Insurance Portability and Accountability Act standard group codes, reason codes, and remark codes. The lead organization must develop a proposed set of goals and a work plan for additional code standardization efforts by October 31, 2010. Payors are allowed to develop and implement temporary code edits to detect and deter aberrant billing patterns that could expose fraudulent billings. If a payor uses temporary code edits to detect fraudulent billing, the payor must disclose to the provider its adjudication decision on a claim and allow the provider to access the payor's review and appeal process to challenge the decision.

The lead organization must develop guidelines by December 31, 2010, to ensure payors do not automatically deny claims for services when extenuating circumstances interfere with a provider obtaining preauthorization before services are performed, or delayed provider notification to the payor of a patient's admission. The guidelines should require payors use common and consistent timeframes for reviewing requests for medical management, and to be consistent where possible with standards established by leading national organizations. The lead organization must develop a single common website for providers to obtain payors' preauthorization, benefits advisory, and preadmission requirements. By October 31, 2010, the lead organization must develop a set of goals and a work plan for the development of medical management protocols.

The Department of Social and Health Services, the Health Care Authority, and the Department of Labor and Industries, to the extent possible under their laws in Title 51, must adopt the processes and guidelines recommended by the lead organization within funds appropriated for the purpose. The Department of Health must implement standards that enable the sharing of professional licensing information for the uniform credentialing process within funds appropriated for the purpose.

Votes on Final Passage:

Senate	48	0	
House	97	0	(House amended)
Senate	43	0	(Senate concurred)

Effective: July 26, 2009

SB 5348

C 16 L 09

Removing references to mitigation banking project eligibility for moneys in the habitat conservation account and the riparian protection account.

By Senators Swecker, Haugen, Jacobsen, Parlette, Rockefeller and Shin; by request of The Recreation and Conservation Funding Board.

Senate Committee on Natural Resources, Ocean & Recreation

House Committee on Capital Budget

Background: The Washington Wildlife and Recreation Program (WWRP) provides funds for the acquisition and development of outdoor recreation and habitat conservation areas. Counties, cities, ports, park and recreation districts, school districts, state agencies, and tribes are eligible to apply. Grant applications are evaluated annually and the Recreation and Conservation Funding Board (Board) submits a list of prioritized projects to the Governor and the Legislature for approval.

In 2005 the Legislature made mitigation banking projects eligible to receive grants in the Urban Wildlife Habitat, Critical Habitat, and Riparian Protection categories of the WWRP. Mitigation banking projects are wetlands that have been restored, enhanced, created, or preserved in order to establish valuable wetland functions.

Summary: Mitigation banking project eligibility is removed from the Critical Habitat and Urban Wildlife Habitat categories of the Habitat Conservation Account.

Mitigation banking project eligibility is removed from the Riparian Protection category of the Riparian Protection Account.

Votes on Final Passage:

Senate	47	0
House	92	0

Effective: July 26, 2009

SSB 5350
C 114 L 09

Changing special permit provisions for poultry slaughter, preparation, and care.

By Senate Committee on Agriculture & Rural Economic Development (originally sponsored by Senators Haugen, Ranker and Hatfield).

Senate Committee on Agriculture & Rural Economic Development
House Committee on Agriculture & Natural Resources

Background: In 2003 a process was established whereby a chicken producer may obtain a permit from the Department of Agriculture (department) for the slaughter and sale of 1,000 or fewer chickens per year directly to the ultimate consumer at the producer's farm. The legislation authorized the department to adopt rules to establish the requirements for the permit. The cost of obtaining the permit is $75.

There is interest by producers of other kinds of poultry such as turkeys and ducks to be eligible to obtain the same permit.

Summary: Instead of being limited to chickens, other poultry producers are eligible to obtain a special permit for the slaughter of poultry. The permit allows for the slaughter of up to 1,000 poultry in a calendar year for sale directly to the ultimate consumer at the producer's farm. Activities conducted under the permit are exempt from any other licensing requirements of the chapter.

In developing the rules to govern the program, the requirements must be generally patterned after those established by the State Board of Health for temporary food service establishments, but must be tailored specifically to poultry slaughter, preparation, and sale activities. The department must conduct inspections to ensure compliance with permit requirements.

The fee for a one-year permit is $75 and a two-year permit is $125.

Votes on Final Passage:

Senate	40	7
House	98	0

Effective: July 26, 2009

ESSB 5352
PARTIAL VETO
C 470 L 09

Making 2009-11 transportation appropriations.

By Senate Committee on Transportation (originally sponsored by Senators Haugen and Marr; by request of Governor Gregoire).

Senate Committee on Transportation

Background: The operating and capital expenses of state transportation agencies and programs are funded on a biennial basis by an omnibus transportation budget adopted by the Legislature in odd-numbered years.

Summary: Appropriations are made for state transportation agencies and programs for the 2009-11 fiscal biennium. (See Conference Committee supporting documents for more detail.)

Votes on Final Passage:

Senate	41	6	
House	65	30	(House amended)
			(Senate refused to concur)

Conference Committee

Senate	41	8
House	77	19

Effective: May 13, 2009

Partial Veto Summary: The Governor vetoed five sections or parts of sections (appropriation items) in the biennial transportation appropriations act. In addition to removing certain directive language, the net effect of the five vetoes is to decrease state appropriations originally provided in the bill by $14,500,000. However, the entire $14,500,000 was contingent upon passage of SHB 1614 which was not enacted. Therefore, these appropriations would have lapsed despite the vetoes.

VETO MESSAGE ON ESSB 5352

May 13, 2009

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning, without my approval as to Sections 215(2), 215(4), 217(9), 602 and 715, Engrossed Substitute Senate Bill 5352 entitled:

"AN ACT Relating to transportation funding and appropriations."

Section 215(2), page 19, Department of Transportation

This proviso requires the Department of Transportation (Department) to offer former property owners the "right of first repurchase" if the property was acquired through condemnation or threat of condemnation, and the property is to be sold as surplus because it is no longer needed for a public purpose. This proviso may hinder the Department's ability to utilize property it currently owns in future acquisition negotiations. It also may have the unintended consequence of restricting the Department's ability to get the best price for surplus property by limiting competition.

Section 215(4), page 20, Department of Transportation

This proviso makes an appropriation of $2,000,000 from the Water Pollution Account-State subject to passage of Substitute House Bill 1614. Since Substitute House Bill 1614 was not enacted, the appropriation lapses and this section is no longer required.

Section 217(9), page 22, Department of Transportation

This proviso makes an appropriation of $12,500,000 from the Water Pollution Account-State subject to passage of Substitute House Bill 1614. Since Substitute House Bill 1614 was not enacted, the appropriation lapses and this section is no longer required.

Section 602, pages 71-72, Department of Transportation

This section would have transportation agencies hire a consultant approved by the Department of Information Services to develop a "consolidated strategy and plan" to achieve cost savings resulting from holistic virtualization, wide area network optimization, transition to alternative telecommunications systems, and

migration to internal voice mail systems. A similar proviso in the omnibus operating budget (Section 143) requires the Department of Information Services to implement some or all of these strategies and to report on the savings to the Office of Financial Management and the fiscal committees of the Legislature.

The transportation budget does not contain funding to hire contractors to develop the plan. Rather than hiring a contractor, the Department can work with the Department of Information Services to learn from its experience with these strategies.

Section 715, pages 87-88, Department of Transportation

This section would give the Legislature the ability to designate property under the jurisdiction of the Department as "unused state-owned real property," and direct the transfer and conveyance of such unused property, provided it is consistent with public interest. The Legislature could then direct the transfer and conveyance of such property to entities listed in statute as eligible recipients such as ports, utilities, other state agencies, cities, or counties. The value of such properties would be determined by the Legislature for "adequate consideration," and would not require fair market value.

While the Legislature may possess the authority to direct the Department in the transfer and conveyance of unused properties, such decisions must be guided by clear criteria. This section does not set forth sufficient safeguards to determine how unused properties would be determined, how properties would be conveyed and transferred, or how values would be assigned to such properties.

For these reasons, I have vetoed Sections 215(2), 215(4), 217(9), 602 and 715.

With the exception of Sections 215(2), 215(4), 217(9), 602 and 715, Engrossed Substitute Senate Bill 5352 is approved.

Respectfully submitted,

Christine O. Gregoire
Governor

SB 5354

C 481 L 09

Regarding public hospital capital facility areas.

By Senators Haugen and Ranker.

Senate Committee on Government Operations & Elections
House Committee on Local Government & Housing
House Committee on Finance

Background: "Quasi-municipal corporation" is defined as "a public agency endowed with such of the attributes of a municipality as may be necessary in the performance of its limited objective." (*Woods v. Bailet*, 116 Wn. App. 658, quoting McQuillin's The Law of Municipal Corporations.)

Under RCW 39.36.015, the term "value of the taxable property" means the value within the district as ascertained in the last assessment.

Under Article VII, section 2 of the State Constitution, a taxing district is any government agency (except ports and public utility districts) authorized to levy ad valorem taxes on property. An *ad valorem* tax is a tax proportionate to value, such as a property tax.

Summary: A process is created for Public Hospital Capital Facility Areas (PHCFA). A PHCFA is defined as the following:

- a quasi-municipal corporation;
- an independent taxing authority;
- a taxing district;
- created out of a county composed entirely of islands; and
- receiving medical services from an existing hospital district, but unable to annex to an existing hospital district due to location or boundaries.

To create a PHCFA, a written petition must be submitted to the county legislative authority. The petition must:

- request creation of the PHCFA;
- request a tax proposal be submitted to the voters at a general or special election; and
- be signed by a majority of trustees of the public hospital district serving the proposed area and at least 10 percent of the voters in the district who voted in the last general election.

The legislative authority submits two proposals to the voters: one for creation of the PHCFA, and another for financing the PHCFA. If both propositions are not approved, the PHCFA must be dissolved.

A PHCFA is governed by three members from the county legislative authority. The PHCFA has authority to contract with local entities as necessary, and construct, acquire, purchase, maintain, add to, and remodel public hospital capital facilities.

The PHCFA may accept gifts and grants, and is authorized to contract for indebtedness and issue bonds, subject to approval of the voters. The county treasurer is the treasurer of the PHCFA, unless another person with financial experience is chosen by county resolution.

Challenges to the legal existence of the PHCFA must commence within 30 days of the filing of the certificate of the canvass of an election. After that time, the PHCFA is conclusively deemed duly and regularly organized.

Votes on Final Passage:

Senate	44	4	
House	98	0	(House amended)
Senate			(Senate refused to concur)
House	94	0	(House amended)
Senate	41	7	(Senate concurred)

Effective: July 26, 2009

SB 5355
C 306 L 09

Regarding initial levy rates for rural county library districts.

By Senator Haugen.

Senate Committee on Government Operations & Elections
House Committee on Local Government & Housing

Background: A rural county library district is a library serving all the area of a county not included within the area of incorporated cities and towns. Any city or town with a population of 100,000 or less at the time of annexation, however, may be included in the rural county library district. Establishing a rural county library district requires a petition to be signed by at least 10 percent of the registered voters of the county who voted in the last general election. The county legislative authority places the proposition on the ballot for vote by the people living within the designated county at the next succeeding general or special election.

Summary: The maximum initial levy rate for the creation of a rural county library district may be included as part of the petition. If included in the petition, the proposed initial maximum levy rate must also be included in the ballot proposition. The initial levy rate may not exceed the rate limit set in statute or, if applicable, the initial maximum levy rate specified in the ballot proposition approved by the voters.

Votes on Final Passage:

Senate	42	0	
House	98	0	(House amended)
Senate	46	0	(Senate concurred)

Effective: July 26, 2009

SB 5356
C 195 L 09

Regarding direct retail licenses issued by the department of fish and wildlife.

By Senators Haugen and Jacobsen.

Senate Committee on Natural Resources, Ocean & Recreation
House Committee on Agriculture & Natural Resources

Background: Wholesale Fish Dealer's License. A business must obtain a wholesale fish dealer's license to commercially process fish or shellfish; conduct certain fish buying, selling, or brokering activities; or manufacture by-products from fish or shellfish. Unless they possess a direct retail endorsement, fishers must obtain a wholesale dealer's license to land and sell their catch to anyone other than a licensed wholesale fish dealer. A wholesale fish dealer's license is $250.

Direct Retail Endorsements. As an alternative to a wholesale fish dealer's license, a direct retail endorsement (endorsement) allows commercial fishery license holders to clean, dress, and sell retail eligible species directly to consumers. The Department of Fish and Wildlife (DFW) must offer the endorsement to all fishers licensed to harvest retail eligible species, which include salmon, crab, and sturgeon. A single endorsement allows the fisher to sell retail eligible species under any of the fisher's licenses. DFW may set a reasonable fee to cover the administrative costs of an endorsement, which is currently $50. A direct retail endorsement is not available to alternate operators.

Alternate Operators. A person who is not the holder of a commercial fishery license may engage in activities authorized under a license only if the person is designated as an alternate operator on that license and has an alternate operator license. Most commercial fishery licenses allow the holder to designate up to two alternate operators to operate under a license.

Summary: An alternate operator who is designated on a commercial fishing license for retail eligible species may purchase a direct retail endorsement. A single direct retail endorsement allows the alternate operator to sell retail eligible species under any of the licenses on which the alternate operator is designated.

Votes on Final Passage:

Senate	47	0
House	98	0

Effective: July 26, 2009

SB 5359
C 414 L 09

Concerning identifying marks on ballots.

By Senators Oemig, Pridemore, Kline and McDermott.

Senate Committee on Government Operations & Elections
House Committee on State Government & Tribal Affairs

Background: Every ballot must be uniform within a precinct. Ballots must identify the type of primary or election and its date, the county, and contain instructions for recording a vote. Paper ballots and ballot cards may not be marked in a way that could identify a voter.

Summary: Elections officials are prohibited from entering into or extending a contract with a vendor if the contract allows the vendor to acquire an ownership interest in data or information pertaining to a voter, or any ballot. An election official may not mark a ballot or direct that a ballot be marked in a way that would identify the voter.

Votes on Final Passage:

Senate	44	0	
House	97	0	(House amended)
Senate			(Senate refused to concur)
House	96	0	(House amended)
Senate	43	0	(Senate concurred)

Effective: July 26, 2009

SSB 5360
PARTIAL VETO
C 299 L 09

Establishing a community health care collaborative grant program.

By Senate Committee on Health & Long-Term Care (originally sponsored by Senators Keiser, Brandland, Franklin, Murray, Brown, Ranker, Fraser, Parlette and Kohl-Welles).

Senate Committee on Health & Long-Term Care
House Committee on Health Care & Wellness
House Committee on Ways & Means

Background: The Community Health Care Collaborative (CHCC) Grant Program was established by the Legislature in 2006 to enhance and support the efforts of collaborative community-based organizations in developing health care delivery models that could be duplicated throughout the state. The program was created because the Legislature found that community-based health care organizations had been able to increase access to care and improve quality care, especially to uninsured and underinsured persons. The Washington State Health Care Authority (HCA) was authorized to provide competitive grant awards to eligible community-based organizations, in consultation with the Department of Health, the Department of Social and Health Services, and the Office of the Insurance Commissioner. The program became effective in July 2006 and is due to expire on June 30, 2009.

In an evaluation of the program issued in 2008, results showed that the CHCC had provided services to over 60,000 people who needed access to care. It also demonstrated significant coordination of volunteer medical services, and an ability to leverage outside funding. The report recommended a continued state role supporting and sustaining community-based health care collaboratives.

Summary: The CHCC Grant Program is established to further efforts of community-based coalitions to increase access to appropriate, affordable health care, especially for employed, low income persons and children in school who are uninsured and underinsured. The HCA is authorized to award two-year grants with funds appropriated for this purpose. Eligibility criteria for receiving grants is described for applicants serving a defined geographic region and public agencies under the jurisdiction of a political subdivision or tribal government. The grants will be awarded competitively based on each applicants' ability to show measurable improvement in health care access and quality, collaboration with key community partners and public health and safety networks, success leveraging funds from other sources, sustainability, and innovative approaches to serving their geographic region.

Votes on Final Passage:

Senate	47	0	
House	97	0	(House amended)
Senate	46	0	(Senate concurred)

Effective: July 26, 2009

Partial Veto Summary: HCA is not required to provide an evaluation of the grant program to the Governor and the Legislature every other year.

VETO MESSAGE ON SSB 5360

April 30, 2009

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning herewith, without my approval as to Section 3, Substitute Senate Bill 5360 entitled:

"AN ACT Relating to community health care collaborative grants."

Section 3 requires the administrator of the Health Care Authority to produce a report every two years. In difficult economic times, producing additional reports will only further strain limited funding and staff time. If legislators or governors require further information on the performance of the grant program, they can simply request such information from the Health Care Authority. For this reason, I have vetoed Section 3 of Substitute Senate Bill 5360.

With the exception of Section 3, Substitute Senate Bill No. 5360 is approved.

Respectfully submitted,

Christine Gregoire

Christine O. Gregoire
Governor

SSB 5367
C 271 L 09

Creating a spirits, beer, and wine nightclub license.

By Senate Committee on Labor, Commerce & Consumer Protection (originally sponsored by Senator Kohl-Welles; by request of Liquor Control Board).

Senate Committee on Labor, Commerce & Consumer Protection
House Committee on Commerce & Labor

Background: The Liquor Control Board (LCB) issues a number of different licenses for premises that serve spirits, beer, and wine. It does not currently issue liquor licenses for nightclubs. Businesses that operate as nightclubs that wish to serve spirits, may do so under a spirits, beer, and wine restaurant license.

Summary: A spirits, beer, and wine nightclub license is established. The license allows the holder to make retail

sales of liquor by the drink, beer, and wine for consumption on the premises. The spirits, beer, and wine nightclub license can be issued only to persons whose business includes the sale and service of alcohol to its customers and has food sales incidental to the sale of alcohol. The business must also have its primary hours between 9 p.m. and 2 a.m. Minors are allowed on the premises but not in areas where alcohol is served.

The annual fee for a spirits, beer, and wine nightclub license is $2,000. Local governments may petition the LCB to request that further restrictions be imposed on a spirits, beer, and wine nightclub license in the interest of public safety. The LCB can refuse to grant a spirits, beer, and wine nightclub license if it determines that the number of nightclub licenses already granted for the locality are adequate for the reasonable needs of the community.

Local jurisdictions may object to liquor license renewals 30 days before the expiration date of the renewal.

Other statutes dealing with spirits, beer, and wine restaurant; spirits, beer, and wine private club; and sports entertainment facility licenses are amended to include the spirits, beer, and wine nightclub license.

Votes on Final Passage:

Senate	38	11	
House	97	0	(House amended)
Senate	34	12	(Senate concurred)

Effective: July 26, 2009

SSB 5368

C 308 L 09

Making provisions for all counties to value property annually for property tax purposes.

By Senate Committee on Ways & Means (originally sponsored by Senators Prentice, Parlette, Fraser, Regala, Shin and Keiser).

Senate Committee on Ways & Means
House Committee on Finance

Background: Article 7, Section 1 of the State Constitution provides that all taxes must be uniform on the same class of property. This means that taxes must be the same on property of the same value and requires both an equal rate and equality in valuing the property taxed. Further, assessed value must be equal to 100 percent of the fair market value of the property, unless the property qualifies under a special tax relief program.

Property subject to property tax is assessed at its true and fair value. In most cases, this is the market value in the property's highest and best use. The values are set as of January 1. These values are used for determining property bills to be collected in the following year.

County assessors establish new assessed values on a regular revaluation cycle. The length of revaluation cycles vary by county. Seventeen counties revalue every four years, one county uses a three-year revaluation cycle and one county is on a two-year schedule. For these counties a proportionate share of the county is revalued during each year of the cycle. Individual property values are not changed during the intervening years of the revaluation cycle. Twenty counties are on a program of annual updates. Values are adjusted annually based on market value statistical data.

Until June 30, 2010, the county treasurers collect a $5 fee on transfers of real estate. The fee is deposited into the Real Estate Excise Tax Electronic Technology Account. The funds from the fee are to be used exclusively for the development, implementation, and maintenance of a electronic processing and reporting system for real estate excise tax affidavits.

Summary: By January 1, 2014, all counties must revalue real property annually. The Department of Revenue (DOR) provides guidance and financial assistance to counties converting to annual revaluations. Upon request, the DOR must assist counties in the valuation of industrial property estimated to exceed $25 million.

DOR will operate a grant program to assist counties with converting to annual revaluations and for replacing computer systems used for revaluations that are no longer supported by the vendor. Grants are limited to $500,000 per county. The Annual Property Revaluation Grant Account is created for this purpose.

The $5 fee on transfers of real estate is extended from July 1, 2010, until December 31, 2013. During this time, the fee is deposited into the Annual Property Revaluation Grant Account.

The $5 fee is continued after January 1, 2014. The fee revenue will be deposited in a county Special Real Estate and Property Tax Administration Assistance account and used for maintenance and operation of an electronic real estate excise tax processing and reporting system and for annual revaluations. One-half of the fee revenue will be directly deposited by the county into the special account for this purpose. One-half of fee revenue will be sent to the State Treasurer. The State Treasurer will distribute one-half of this revenue in equal shares to the 39 counties. The other half will be distributed back to the counties in proportion to the population of each county.

Fee revenue remaining in the account that is unspent will be deposited in the Special Real Estate and Property Tax Administration Assistance Account. This will occur on the earlier of July 1, 2015, or the time when the county treasurer is using an electronic processing and filing system that is compatible with the processes used by DOR and the county assessor.

DOR must work with a county that has the technology ready to convert to revaluation but needs the expertise to do the conversion. This is to be accomplished by December 31, 2009.

Votes on Final Passage:

Senate	40	5	
House	77	17	(House amended)
Senate	38	8	(Senate concurred)

Effective: July 26, 2009

SSB 5369
C 52 L 09

Regarding counseling professions subject to the authority of the secretary of health.

By Senate Committee on Health & Long-Term Care (originally sponsored by Senators Franklin, Becker, Fairley, Keiser, Marr, Murray, Kohl-Welles and Parlette; by request of Department of Health).

Senate Committee on Health & Long-Term Care
House Committee on Health Care & Wellness

Background: In 2006 and 2007 the Department of Health (DOH) reviewed the profession of licensed counselor to determine the appropriate level of regulation. Recommendations were made in a department report in 2006 and a work group report published in November 2007. The Legislature passed 2SHB 2674 which required registered counselors (many of whom were already working towards another licensed credential) to obtain another newly created health profession credential by July 2010 when the registered counselor credential was eliminated. The new category of health professionals this bill created include agency affiliated counselor, certified counselor, certified advisers, as well as associate level and trainee credentials for some existing counseling professions. Requirements were established for education, experience, scope of practice, and disclosure. The Secretary of DOH had authority for discipline and licensing of registered counselors. Although the former category of registered counselor will be discontinued and no longer require regulation, the newly created categories of health professional will need to be regulated. 2SHB 2674 did not address the authority to regulate these newly created health professions.

Summary: The Secretary of DOH is given the authority under the Uniform Disciplinary Act to regulate the newly created health professions created by the Legislature in 2008. The health professions are agency affiliated counselors, certified counselors, certified advisers, associates in mental health counseling, marriage and family therapy and social work, and trainees in the chemical dependency profession. Regulation includes licensing, enforcement of the law, and discipline.

Votes on Final Passage:

Senate	48	0
House	97	0

Effective: July 1, 2009
July 1, 2010 (Section 2)

SSB 5380
C 53 L 09

Addressing the statute of limitations for certain crimes.

By Senate Committee on Judiciary (originally sponsored by Senators McCaslin and Marr).

Senate Committee on Judiciary
House Committee on Public Safety & Emergency Preparedness

Background: Statutes of limitation provide fixed time periods during which actions may be brought on certain claims or various crimes may be prosecuted. Statutes of limitation force commencement of legal action on claims. The reasoning is that claims will be litigated while relevant evidence is still accessible and while necessary witnesses can still provide clear accountings of events.

The crimes of leading organized crime and use of proceeds of criminal profiteering may not be prosecuted more than six years after their commission.

Summary: A felony violation of the laws pertaining to the crimes of money laundering and identity theft may not be prosecuted more than six years after their commission or their discovery, whichever occurs later. The same statute of limitation applies to the crimes of theft in the first or second degree when accomplished by color or aid of deception.

Votes on Final Passage:

Senate	46	0
House	97	0

Effective: July 26, 2009

SSB 5388
C 49 L 09

Concerning the disclosure of any known damage and repair to a new motor vehicle by motor vehicle dealers.

By Senate Committee on Labor, Commerce & Consumer Protection (originally sponsored by Senators Parlette, Murray, Swecker, Carrell, King, Tom, Kohl-Welles and Franklin).

Senate Committee on Labor, Commerce & Consumer Protection
House Committee on Commerce & Labor

Background: The practices of dealers and manufacturers are regulated by 46.70 RCW. Within this chapter, a number of practices by dealers and manufacturers are determined to be unlawful, for which the penalty is a misdemeanor. A civil action for any of the violations may be brought in superior court to seek an injunction, and recover actual damages and costs of the litigation, including reasonable attorneys' fees. Violations are also a violation of the Consumer Protection Act.

Summary: Any known damage and repair to a new motor vehicle must be disclosed in writing by the manufacturer to the dealer, dealer-to-dealer, and dealer to buyer. This only applies to damage that exceeds $1,000 or 5 percent of the Manufacturer's Suggested Retail Price (MSRP), whichever is greater.

However, a manufacturer or new motor vehicle dealer is not required to disclose to the dealer or buyer that glass, tires, bumpers, or cosmetic parts of a new motor vehicle were damaged if the damaged item has been replaced with original or comparable equipment.

"Cosmetic parts" means parts that are attached by and can be replaced in total through the use of screws, bolts, or other fasteners without the use of welding or thermal cutting, and includes windshields, bumpers, hoods, or trim panels.

If a disclosure is not required, a buyer may not revoke or rescind a sales contract due to the fact that the new motor vehicle was damaged and repaired before completion of the sale.

Votes on Final Passage:

Senate	46	0
House	97	0

Effective: July 26, 2009

SSB 5391
C 412 L 09

Regulating body art, body piercing, and tattooing practitioners, shops, and businesses.

By Senate Committee on Health & Long-Term Care (originally sponsored by Senators Kastama, Haugen, Fairley, Roach and Pflug).

Senate Committee on Health & Long-Term Care
House Committee on Health Care & Wellness
House Committee on Ways & Means

Background: The Secretary of the Department of Health (DOH) has established requirements for the sterilization of needles and instruments used by tattoo artists. These rules address both sterilization procedures and universal precautions for preventing the spread of disease. There are no similar provisions for body art or body piercing.

The practices of body art, body piercing, and tattooing are not currently regulated in Washington State.

Summary: A license is required to practice body art, body piercing, and tattooing.

Body art is defined as the practice of invasive cosmetic adornment including the use of branding and scarification. Body piercing is the practice of penetrating the skin to insert an object, including jewelry for cosmetic purposes. Tattooing is to pierce or puncture the human skin with a needle or other instrument for the purpose of implanting an indelible mark or pigment into the skin.

The Department of Licensing (DOL) must administer licensing for these practices according to minimum safety and sanitation standards set by DOH. A license is required for individual practitioners and for body art, body piercing, and tattooing businesses. DOL will inspect businesses every two years or upon receipt of a complaint. Business and individual licenses must be renewed annually.

Minimum standards are established by DOL for body art, body piercing, and tattooing businesses. DOH will establish sterilization standards for body art, body piercing, and tattooing. Individual practitioners of body art, body piercers, and tattoo artists are subject to the Uniform Regulation of Business and Professions Act.

Votes on Final Passage:

Senate	47	1	
House	95	2	(House amended)
Senate	45	2	(Senate concurred)

Effective: July 26, 2009
July 1, 2010 (Sections 1-21)

SSB 5401
C 246 L 09

Expanding the riparian open space program to include lands that contain critical habitat of threatened or endangered species.

By Senate Committee on Natural Resources, Ocean & Recreation (originally sponsored by Senators Morton, Jacobsen, Stevens, Ranker, Hatfield, Roach and Kline).

Senate Committee on Natural Resources, Ocean & Recreation
House Committee on Agriculture & Natural Resources
House Committee on Capital Budget

Background: The Legislature added the Riparian Open Space (ROS) Program to the Forest Practices Act in 1999. The ROS program provides landowners compensation for lands within unconfined avulsing channel migration zones that cannot be harvested due to the Forest Practices rules. The Department of Natural Resources (DNR) is directed to purchase qualifying land in order to manage that land for ecological protection or fisheries enhancement. Lands may be purchased either as fee land or as a perpetual conservation easement. The DNR may retain and manage these lands or transfer the land or easement to another state agency, a local governmental agency, or a private nonprofit nature conservancy program.

Since 2001 the DNR has purchased 583 acres of qualifying channel migration zone (CMZ) lands for a total value of $1,470,000. An unconfined avulsing CMZ is the area within which the active channel of an unconfined avulsing stream is prone to move and where the movement would result in a potential near-term loss of riparian forest adjacent to the stream.

Summary: The Forest Practices Board (Board) must establish by rule a program for the acquisition of riparian open space and critical habitat for threatened or endangered species. Acquisition must be by conservation easement.

Lands eligible for acquisition are forest lands within unconfined CMZ or forest lands containing critical habitat for threatened or endangered species as designated by the Board.

Compensation methods are specified for landowners who convey an interest in trees and/or land.

Votes on Final Passage:

Senate	45	0	
House	97	0	(House amended)
Senate	45	0	(Senate concurred)

Effective: July 26, 2009

SSB 5402

C 287 L 09

Regarding the prevention of animal cruelty.

By Senate Committee on Judiciary (originally sponsored by Senators Tom, Carrell, Shin, Delvin, Kline, Fraser, Roach, Kohl-Welles and Marr).

Senate Committee on Judiciary
House Committee on Judiciary

Background: Under current law, the court is required to order the forfeiture of all animals held by law enforcement or animal care and control authorities if any one of the animals involved dies as a result of a violation of this chapter or if the defendant has a prior conviction under this chapter. If the court finds that the animal's treatment was severe or is likely to reoccur, the court may enter an order requiring forfeiture of the animal. If forfeiture is ordered, the owner will be prohibited from owning or caring for any similar animals for two years. The court is allowed to delay its forfeiture decision until the end of the convicted person's two-year probationary period.

The term "similar animals" is not defined.

Summary: "Similar animals" mean animals classified in the same genus.

When a court orders the forfeiture of an animal, the owner will be prohibited from owning or caring for similar animals two years for the first conviction of second degree animal cruelty; permanently for the first conviction of first degree animal cruelty; and permanently for the second, or any subsequent, conviction of animal cruelty. A person may petition the sentencing court for a restoration of the right to own or possess a similar animal five years after the date of the second conviction if that person has no more than two convictions for second degree animal cruelty. The court must consider various factors prior to restoring this right.

Votes on Final Passage:

Senate	43	1	
House	71	27	(House amended)
Senate	42	4	(Senate concurred)

Effective: July 26, 2009

SSB 5410

C 542 L 09

Regarding online learning.

By Senate Committee on Early Learning & K-12 Education (originally sponsored by Senators Oemig, Morton, McAuliffe, Tom and Eide).

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

Background: Under current law, "digital programs" are defined as electronically delivered learning that occurs primarily away from the classroom.

The Office of Superintendent of Public Instruction (OSPI) has the authority to adopt and implement rules regarding the following:

1. defining a full-time equivalent (FTE) student or part-time student based upon the district's estimate of average weekly hours of learning activity and addressing state funding issues with regard to nonresident students so that no student is counted for more than one FTE;
2. requiring school district boards of directors to adopt and annually review written policies for each program and program provider and to receive an annual report on its digital learning programs from its staff;
3. requiring each school district offering or contracting to offer digital programs to annually report the types of programs, course offerings, and number of participating students to OSPI;
4. requiring completion of a program self-evaluation;
5. requiring the district to provide documentation of a student's physical residence;
6. requiring certificated instructional staff to supervise, monitor, assess, and evaluate digital programs;
7. requiring school district offering digital courses to provide the ratio of certificated instructional staff to FTE student enrolled;
8. requiring reliable methods to verify a student's participation in the digital course, such as proctored exams or web cams;
9. requiring each digital student to be provided with a learning plan, such as a course syllabi;
10. requiring districts to annually assess the educational progress of students enrolled in digital courses using the state assessment for the student's grade level and

any other annual assessment required by the district, except for those receiving home-based instruction or enrolled in private school;

11. requiring students taking digital programs to have weekly direct personal contact with certificated instructional staff, such as by telephone, email, instant messaging, interactive video, or other means of digital communication;
12. requiring state-funded schools or public schools whose primary purpose is to provide digital learning programs to receive accreditation through the state or regional accreditation program;
13. requiring state-funded schools or public schools whose primary purpose is to provide digital learning programs to provide students and parents information as to whether the courses or programs cover the district's learning goals, cover the state's essential academic learning requirements, or meet the state's or district's graduation requirements; and
14. requiring districts that provide digital courses to provide parents or guardians of a student, prior to enrollment, a description of any difference between home-based education and the student's choice of enrollment option, and the parent or guardian is required to sign documentation attesting to his or her understanding of the difference, to be retained by the district.

Summary: Definitions are provided for "multidistrict online course provider," "online course," and "online school program."

OSPI is in charge of the provider approval process, website, and model agreements. Initial provider approval is for a four-year period. Annual approval decisions must be made by November 1. There is no approval fee. There is no teacher-student ratio in the approval criteria, but this information must be provided on the website. Multidistrict providers that are currently approved by the Digital Learning Commons (DLC) or accredited by the Northwest Association of Accredited Schools and meet teacher certification requirements are exempt from the initial approval process until August 31, 2012. However, these providers must still meet renewal, and other, requirements established for approved providers.

An Office of Online Learning is created within OSPI which is initially made up of staff employed by DLC to the extent that funds are available. OSPI must use the course offering component of the DLC website to the greatest extent possible. OPSI must provide technical assistance and, to the extent funds are available, online learning tools to school districts in collaboration with the Educational Service Districts and through the educational technology centers.

Various implementation timelines are set. The OSPI rule/approval criteria and process is due December 1, 2009. OSPI's initial decision on applications is due April 1, 2010. OSPI must disseminate its model policies by February 1, 2010. School districts must adopt online policies by August 31, 2010. Basic education funding is permitted for approved providers beginning in the 2011-12 school year.

The purpose of model agreements between OSPI and approved providers is clarified in that it must address standard contract terms and conditions (such as billing fees and responsibilities of parties) in order to provide a template to assist school districts in contracting with a provider to offer programs to students in their district, if they so choose.

All online programs must be accredited by the Northwest Association of Accredited Schools or another national, regional, or state accreditation program listed by OSPI after consultation with the Washington Coalition for Online Learning.

OSPI must conduct a review of online courses and programs offered in 2008-09 to create baseline information about student enrollment, how programs are offered, contract terms and funding, fiscal impact on levy bases and levy equalization from interdistrict enrollment, staffing ratios, course completion and success rates, and other issues. OSPI must also assess funding provided for online enrollment relating to the basic education allocation, including nonemployee related costs, facility requirements, and the share of allocations between resident and serving districts. This report is due to the education and fiscal committees of the Legislature by December 1, 2009.

Votes on Final Passage:

Senate	33	15	
House	98	0	(House amended)
Senate	37	9	(Senate concurred)

Effective: July 26, 2009

SB 5413

C 141 L 09

Concerning the assault of a law enforcement officer or other employee of a law enforcement agency.

By Senators Eide, Kline, Swecker, Roach, Rockefeller, Shin and Marr.

Senate Committee on Judiciary
House Committee on Public Safety & Emergency Preparedness

Background: A person is guilty of assault in the third degree if the person, under circumstances not amounting to assault in the first or second degree, assaults a law enforcement officer or other employee of a law enforcement agency who was performing his or her official duties at the time of the assault. Commission of assault in the third degree is a class C felony. Assault in the third degree is ranked at seriousness level III for purposes of the sentencing grid.

Summary: An additional 12 months is added to the standard sentence range for offenses in which the defendant is convicted of assaulting a law enforcement officer, or other law enforcement agency employee, who was performing official duties at the time of the assault and there has been a special allegation pleaded and proven beyond a reasonable doubt that the defendant intentionally committed the assault with what appears to be a firearm. The court will make a finding of fact of the special allegation. If a jury trial occurs, the jury must find a special verdict as to the special allegation if it finds the defendant guilty.

Votes on Final Passage:

Senate	45	0
House	86	9

Effective: July 26, 2009

ESSB 5414

PARTIAL VETO

C 310 L 09

Regarding statewide assessments and curricula.

By Senate Committee on Early Learning & K-12 Education (originally sponsored by Senators McAuliffe, King, Oemig and McDermott).

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

Background: Washington Assessment of Student Learning (WASL). In order to obtain a Certificate of Academic Achievement (CAA), high school students are required to meet the state standard on the tenth grade WASL in reading, writing, and mathematics. Until 2013, a student who does not meet the state standard on the mathematics WASL may graduate from high school without a CAA if they continue to take mathematics classes and annually take either the mathematics WASL or an approved mathematics alternative. Beginning with the graduating class of 2013 students must also meet the state standards on the science WASL.

Revised Mathematics and Science Standards. In 2007 the Legislature directed the State Board of Education (SBE) and the Superintendent of Public Instruction (SPI) to conduct a comprehensive review and revision of the state learning standards in mathematics and science. The final mathematics standards for high school were approved for adoption in July 2008. The new science standards have been completed but can be adopted only after the 2009 Legislature has had an opportunity for review.

End-of-Course Assessments (EOCs). Legislation was passed in 2008 directing SPI to develop statewide EOCs for Algebra I, Geometry, Integrated Mathematics I, and Integrated mathematics II, to be used as the high school level mathematics WASL. The mathematics EOCs were to be available for optional use in the 2009-10 school year and implemented statewide in the 2010-11 school year.

Science Curricula. In 2007 the Legislature directed the SPI to identify no more than three science curricula for elementary, middle, and high school grade spans that align with the new science standards and present them to SBE for formal comment by May 15, 2009. By June 30, 2009, the SBE must comment and make recommendations for any changes to SPI prior to SPI adopting the curricula. Subject to funding, at least one of the curricula must be available online at no cost to schools and parents.

Legislative WASL Working Group. In 2008 the Legislature created a working group on the WASL composed of seven legislative members to review and evaluate the current assessment system by January 1, 2009, and potentially make recommendations to improve it. The working group met six times and heard presentations from a number of national and local experts, other states, and local school districts. Each meeting consisted of a work session with an opportunity provided for public comment.

The working group developed both long-term and short-term recommendations. The long-term recommendations start with a list of principles that should be established as legislative intent for the design of a new assessment system. The principles include that an assessment system should improve and inform classroom instruction, support accountability, and provide useful information for all levels of the educational system. Additionally, the assessment system must include multiple formats, (including formative, summative, and classroom-based assessments), enable comparisons of student achievement, and be balanced. Key design elements were identified by the working group.

The long-term recommendations also provide that pre-service and ongoing training should be supplied to teachers and administrators on the effective use of different types of assessments, in order to sustain a strong and viable assessment system; and as the statewide data system is developed, data should be collected for all state-required statewide assessments to be used for accountability and to monitor overall student achievement.

The working group developed five short-term recommendations:

1. SPI should revise the current WASL to reduce the number of open-ended/extended response questions at all grade levels and report back to the Legislature on the changes and provide cost information.
2. The reading and writing WASL and the mathematics EOCs should be maintained as graduation requirements. However, the timelines should be adjusted to use EOCs as a graduation requirement effective when the SBE finds that EOCs are valid and reliable. Additionally, EOCs should be considered for science with the use of the science assessment as a graduation requirement effective when the SBE finds the science assessment valid and reliable.

3. SPI should revisit and make recommendations to the Legislature regarding alternative assessments, the appeals process (including considering local school district authority), and the special education portfolio.
4. To address college and career readiness, the state should pay for students to take the Preliminary Scholastic Assessment Test if the student has passed the high school WASL; and SBE should examine EALRs to determine how to improve alignment of Essential Academic Learning Requirements with college and career readiness and SBE's draft high school credit framework called CORE 24.
5. SPI, with SBE, should begin design on an assessment system that meets the long-term recommendations, conduct a cost analysis, and report back to the Legislature.

Summary: Some of the recommendations of the legislative WASL work group are implemented; a plan is required to ensure students have the opportunity to learn the new mathematics and science standards; the mathematics EOCs and implementation timeline are addressed; a recommendation will be made on science EOCs; and the science curricula to be recommended by SPI is expanded within specified science domains.

WASL. Legislative findings are made that an assessment system should improve and inform classroom instruction, support accountability, and provide useful information to all levels of the educational system; and that the Legislature intends to redesign the current statewide system, in accordance with the recommendations of the legislative WASL work group.

Beginning December 1, 2009, the SPI and SBE must jointly annually report to the Legislature regarding the assessment system, including a cost analysis of any changes and costs to expand availability and use of instructionally supportive formative assessments. SPI is directed to revise the number of open-ended questions and extended responses in the WASL in grades three through eight and ten while retaining the validity and reliability of the assessment. By December 1, 2009, SPI must report to the Legislature regarding the changes, including the costs.

By December 1, 2009, SPI must revisit the alternative assessments, the appeals process (including considering authorizing local school districts to determine the outcome of an appeal by a student), and the alternative assessment for students with the most significant cognitive disabilities, and make recommendations for improvements to the Legislature.

Revised Mathematics and Science Standards. SPI, with the SBE, and the Professional Educators Standards Board must develop an implementation plan to ensure that all students have the opportunity to learn the new science and mathematics standards. The plan must include strategies to help districts improve alignment of curriculum and teacher instruction to the new standards; identify effective programs for struggling students; and assess the feasibility of implementing the current timelines for students to demonstrate that they have met state mathematics and science standards on the statewide high school assessments for the purpose of graduation. By December 1, 2009, SPI must report the plan to the Governor and the Legislature.

EOCs. The requirement to implement the mathematics EOCs at the high school level in the 2010-2011 school year is maintained. The first year of the EOCs are to include the standards common to Algebra I and Integrated Mathematics I. The second year of the EOCs are to include the standards common to Geometry and Integrated Mathematics II. The graduating classes of 2013 and 2014 may use either the EOC results or the results from the high school mathematics WASL to obtain a CAA. Beginning with the graduating class of 2015, the EOCs will be the mathematics WASL for the purposes of obtaining a CAA.

OSPI must also develop subtests for the EOCs that measure standards that are unique to Algebra I, Integrated Mathematics I, Geometry, and Integrated Mathematics II. The results are to be reported at the student, teacher, school, and district level.

By December 1, 2009, SPI, with the SBE, must recommend whether to use a comprehensive assessment or EOCs for assessing whether high school students have met the state science standards.

Science Curricula. The timeline is extended for SPI to present science curricula to the SBE and for the SBE to provide comment. SPI must present no more than three curricula for each of the major high school courses in the domains of earth and space science, physical science, and life science.

Votes on Final Passage:

Senate	47	1	
House	95	2	(House amended)
Senate	46	0	(Senate concurred)

Effective: April 30, 2009 (Section 5)
July 26, 2009

Partial Veto Summary: The Governor vetoed the requirement for a plan to be developed to ensure that all students have the opportunity to learn the new science and mathematics standards, including assessing the feasibility of the current timelines for students to demonstrate that they have met the state standards for the purpose of graduation. Additionally, the Governor vetoed the direction that SPI, with the SBE, recommend whether to use a comprehensive assessment or EOCs to determine whether high school students have met the state science standards.

VETO MESSAGE ON ESSB 5414

April 30, 2009

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning, without my approval as to Section 4, Engrossed Substitute Senate Bill 5414 entitled:

"AN ACT Relating to statewide assessments and curricula."

Section 4, in part, requires the Office of the Superintendent of Public Instruction, in consultation with the State Board of Education, to develop an implementation plan, including an assessment of the feasibility of implementing the current timelines for students to demonstrate that they have met state mathematics and science standards in high school assessments. These timelines are critical components of our statewide effort to ensure that our students are ready for the 21st century. Now is not the time to indicate any lack of resolve in our commitment to our students by revisiting or adjusting those standards. For these reasons, I have vetoed Section 4 of Engrossed Substitute Senate Bill 5414.

With the exception of Section 4, Engrossed Substitute Senate Bill 5414 is approved.

Respectfully submitted,

Christine O. Gregoire
Governor

SSB 5417
C 14 L 09

Requiring the disclosure of information on flood insurance coverage.

By Senate Committee on Financial Institutions, Housing & Insurance (originally sponsored by Senators Berkey, Franklin, Shin and Roach; by request of Insurance Commissioner).

Senate Committee on Financial Institutions, Housing & Insurance
House Committee on Financial Institutions & Insurance

Background: Each insurance policy sold must state the risk insured against. Damage by flood is a risk to which a home may be subject. Insurers often exclude flood coverage from homeowners' policies sold in Washington.

The National Flood Insurance Program (NFIP) was established by the federal government in 1968 to provide people with flood insurance and to protect communities from potential flood damage through floodplain management. Participation in the program by local governments is optional and includes requirements for addressing floodplain management.

The NFIP reports that approximately 32 insurers participate in the program in Washington. NFIP policies are not regulated by the Office of Insurance Commissioner (OIC). The Federal Emergency Management Agency (FEMA) establishes the minimum training requirements for insurance agents who offer federal flood insurance policies.

Summary: When policies are issued and when they are renewed, insurers must give clear and conspicuous written notice to their home and condo owners, renters, and fire insurance policyholders that the policies do not cover damage caused by flooding. They must also provide information about how to contact the NFIP. A satisfactory example of this notice is provided.

Votes on Final Passage:

Senate	47	0
House	92	0

Effective: July 26, 2009

ESSB 5421
C 420 L 09

Creating the Columbia river recreational salmon and steelhead pilot stamp program.

By Senate Committee on Natural Resources, Ocean & Recreation (originally sponsored by Senators Parlette, Jacobsen, Rockefeller, Swecker, Hargrove, Shin and Marr).

Senate Committee on Natural Resources, Ocean & Recreation
Senate Committee on Ways & Means

Background: Role of the Department of Fish and Wildlife. The Department of Fish and Wildlife (DFW) serves as manager of the state's fish and wildlife resources. Among other duties, DFW must classify wildlife and establish the basic rules and regulations governing the time, place, manner, and methods used to harvest or enjoy fish and wildlife.

Fishing Licenses. All individuals 15 years old and older are required to purchase a personal use fishing license prior to recreationally fishing for or possessing fish. There are a number of personal use fishing licenses available, including a freshwater license, saltwater license, and combination license.

Stamp, Permit, and Surcharge Programs. In various instances, the Legislature has provided a dedicated funding source for specific fish and wildlife management activities by requiring stamps, permits, or surcharges in addition to a hunting or fishing license. For example, generally a hunter must purchase a small game license as well as a migratory bird validation to hunt for migratory birds. Revenues from the migratory bird validation are then used for various purposes including migratory bird protection and habitat improvement.

Summary: DFW must create a Columbia River Recreational Salmon and Steelhead Pilot Stamp Program (Program). The stated purpose of the Program is to supplement the resources available to DFW to carry out those activities necessary to provide recreational salmon and steelhead fishing opportunities on the Columbia River and its tributaries.

Program funding comes from a $7.50 stamp or endorsement required for persons fishing recreationally for salmon and steelhead on the Columbia River and its tributaries. A person must obtain a stamp or endorsement in addition to a fishing license. DFW must determine whether to issue stamps or endorsements based on which will result in the least administrative costs. Stamp revenues go

into a dedicated nonappropriated account used to fund Program activities.

DFW must administer the Program in consultation with an advisory body representing the geographic areas and established recreational fishing organizations of the Columbia River. In selecting advisory body members, DFW must solicit recommendations from recreational fishing organizations of the Columbia River and give deference to those recommendations. The advisory body must make annual recommendations regarding Program expenditures, and DFW must provide an explanation for any expenditures that substantially differ from such recommendations.

The term "Columbia River" is defined. By September 1, 2009, DFW must develop a list of tributaries to the Columbia where a stamp is required to fish recreationally and must determine whether it will issue stamps or endorsements.

By December 1, 2014, DFW and the advisory body must recommend to the Legislature whether the Program should be continued. The Program expires June 30, 2016.

Votes on Final Passage:

Senate	38	11
House	77	17

Effective: July 26, 2009
January 1, 2010 (Section 2)

ESB 5423
C 54 L 09

Regarding critical access hospitals not subject to certificate of need review.

By Senators Pflug and Oemig.

Senate Committee on Health & Long-Term Care
House Committee on Health Care & Wellness

Background: Certificate of Need. The Certificate of Need (CON) Program is operated by the Department of Health under direction of the secretary's designee. A certificate of need is required before a health care provider can offer certain new or expanded services. Some examples are construction or sale of a hospital or an increase in the number of licensed hospital or nursing home beds. The purpose for a certificate of need process is to ensure that new services proposed by health care providers are needed within a particular region.

Health care provider CON applications must address the need for such services, the availability of less costly or more effective alternative methods of providing such services, financial feasibility and impact on health care costs in the community, quality assurance and cost effectiveness, as well as other factors.

Critical Access Hospitals. A critical access hospital (CAH) is a hospital that is certified to receive cost-based reimbursement from Medicare. It must be designated by the state as a CAH and must be participating in Medicare as a rural public hospital. A CAH must be located in a rural area and be more than 35 miles from another hospital. It can have no more than 25 inpatient beds, maintain an annual average length of stay of 96 hours per patient, and must make available emergency care services 24-hours per day, seven days per week.

A certificate of need is required if a health care facility intends to change the total number of beds or intends to redistribute beds among acute care, nursing home care and boarding home care for longer than six months. A rural health care facility that increases the total number of nursing home beds or redistributes bed from acute care or boarding home care to nursing home care for longer than six months is also subject to CON review.

A critical access hospital can increase its total number of beds to 25 and may redistribute beds among acute care and nursing home care without being subject to CON review unless there is a nursing home within 27 miles of the critical access hospital. However, even if there is a nursing home within 27 miles of the CAH, the CON review is not required if the CAH had designated beds to provide nursing home care prior to December 31, 2003, or for up to five swing beds.

Summary: A CAH is not subject to a CON review for up to 25 swing beds as long as there is not a licensed nursing home within the same city or town limits. The additional swing bed capacity must be phased in with no more than one-half of the additional beds before July 1, 2009, and the balance phased in no sooner than July 1, 2010.

Votes on Final Passage:

Senate	35	10
House	94	3

Effective: July 26, 2009

SB 5426
C 115 L 09

Authorizing certain areas in cities or towns to annex to a fire protection district.

By Senators Kastama, Berkey and Fairley.

Senate Committee on Government Operations & Elections
House Committee on Local Government & Housing

Background: Fire Protection Districts (district) provide fire prevention, fire suppression, and emergency medical services within their boundaries. Districts generally serve residents in unincorporated areas of a county except when cities and towns have been annexed into a fire district or when the fire district continues to provide service to the newly formed incorporated area. The districts are governed by a board of commissioners (commissioners) consisting of either three or five members. Fire protection activities and facilities are financed through the imposition

of property taxes, voter-approved excess property taxes, and benefit charges.

Current law provides that a city or town adjacent to a district may be annexed to that district if the population of the city or town does not exceed 100,000 residents. The legislative authority of a city or town must adopt an ordinance approving annexation into the district and provide a finding that the public interest will be served. The district's commissioners must then authorize the annexation and send notification to the governing body of the county or counties in which both the district and city/town are located. A special election must then be called to allow voters in each jurisdiction to approve or deny the annexation proposal. The annexation is complete if a majority of the voters in each district opt in favor of its passage.

Summary: A city or town located in two counties that have at least 80 percent of the population residing in one county may annex to a fire protection district if, at the time of the initiation of annexation, the proposed area lies adjacent to a fire protection district and the population of the proposed area is greater than 5,000 but less than 10,000. The governing bodies of the city and the district, as well as the qualified voters within the boundaries of the fire protection district, must approve of the annexation prior to its existence.

Votes on Final Passage:

Senate	46	0
House	98	0

Effective: July 26, 2009

SSB 5431

C 482 L 09

Regarding placement of a child returning to out-of-home care.

By Senate Committee on Human Services & Corrections (originally sponsored by Senators Stevens, Hargrove, Regala, McAuliffe, Carrell, Brandland and King).

Senate Committee on Human Services & Corrections
House Committee on Early Learning & Children's Services

Background: A number of children who have been in foster care and return home must return to foster care for many reasons. The Department of Social and Health Services (DSHS) tries to place the child in an appropriate foster home which is sometimes not a relative nor a foster home in which the child had been previously placed.

Summary: Placement of a child with a relative or another suitable person is the preferred option when a child must be placed in out of home care in a dependency matter.

If a child has been previously placed in out of home care and is subsequently returned to out of home care and DSHS cannot locate an appropriate and available relative or other suitable person, the preferred placement for the child is in a foster home where the child was previously placed if the foster home is available and willing to care for the child, the foster family is appropriate and able to meet the child's needs, and placement is in the child's best interest.

Votes on Final Passage:

Senate	48	0	
House	98	0	(House amended)
Senate			(Senate refused to concur)
House	95	0	(House amended)
Senate	48	0	(Senate concurred)

Effective: July 26, 2009

2SSB 5433

PARTIAL VETO

C 551 L 09

Modifying provisions of local option taxes.

By Senate Committee on Ways & Means (originally sponsored by Senators Regala, Swecker, Rockefeller, Morton, Fraser, Ranker, Fairley and Shin).

Senate Committee on Government Operations & Elections
Senate Committee on Ways & Means
House Committee on Finance

Background: A county legislative authority has the ability to authorize, fix, and impose a sales and use tax. The money from these taxes can be used for a variety of purposes, including the funding of chemical dependency and mental health treatment services and public safety.

Monies collected under the sales and use tax for chemical dependency or mental health treatment services must be used to provide new or expanded chemical dependency, mental health treatment, or expanded therapeutic court programs and services. The rate of tax must equal one-tenth of one percent of the selling price in the case of a sales tax or value of the article used in the case of a use tax.

The rate of tax for public safety may not exceed three-tenths of one percent of the selling price in the case of a sales tax, or value of the article used in the case of a use tax. One-third of all money received with this tax must be used solely for criminal justice purposes.

With very limited exceptions, monies collected under the sales and use tax for chemical dependency and public safety must not be used to supplant existing funding.

Regular property taxes in excess of the 1 percent growth rate limitations on revenue may be levied by a taxing district if approved by district voters. This approval is referred to as a levy lid lift. A levy lid lift can last up to a maximum of six consecutive years. Monies raised under a levy lid lift must not supplant the actual operating expenditures for the calendar year in which the ballot measure is approved by voters.

Summary:
- Non-supplant language for public safety sales and use tax is partially eliminated. Partial elimination of non-supplant language is phased out over a 5 year period. Includes fire protection services within one-third dedication of revenue requirements.
- Non-supplant language for multi-year property tax lid lifts is eliminated. However, elimination of non-supplant language only applies to levies approved in 2009, 2010, and 2011 for King County.
- Non-supplant language for chemical dependency/ mental health sales and use tax is partially eliminated. Partial elimination of non-supplant language is phased out over 5 year period.
- Ferry district property tax rate in King County is reduced from 75 cents per $1,000 of assessed value to 7.5 cents.
- King County is authorized to impose additional property tax at a rate not to exceed 7.5 cents per $1,000 of assessed value. The first 1 cent is dedicated to expanding transit capacity along state route 520. The remainder of money is dedicated to transit-oriented expenditures. Conforming changes are made.

Votes on Final Passage:

Senate	31	16	
House	52	46	(House amended)
			(Senate refused to concur)

Conference Committee

Senate	25	24
House	51	44

Effective: July 26, 2009

Partial Veto Summary: The Governor vetoed the section that authorized various local transit agencies to seek voter approval for a congestion reduction tax of up to $20 per vehicle.

VETO MESSAGE ON 2SSB 5433

May 19, 2009

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I have approved, except for Sections 8, 9, 10 and 11, Second Substitute Senate Bill 5433 entitled:

"AN ACT Relating to modifying provisions of local option taxes."

This bill allows local governments flexibility to better use current revenues sources and additional options for transportation funding. Sections 8 through 11 would have given transit agencies the option of asking voters for up to $20 per vehicle per year to expand local transit capacity and fund transit-related expenses. Local entities currently have authority under a transportation benefit district to impose a vehicle fee that can be used for transportation operating, maintenance and capital investments. In addition, the 2009-11 transportation budget appropriates funds to the Joint Transportation Committee to conduct a study of alternative revenue sources of transportation funding; so dedicating a specific revenue source now is premature and impacts future decision-making flexibility.

For these reasons, I have vetoed Sections 8, 9, 10 and 11 of Second Substitute Senate Bill 5433.

With the exception of Sections 8, 9, 10 and 11, Second Substitute Senate Bill 5433 is approved.

Respectfully submitted,

Christine O. Gregoire
Governor

SSB 5434
C 116 L 09

Regarding prohibited practices in accountancy.

By Senate Committee on Labor, Commerce & Consumer Protection (originally sponsored by Senators Marr, Holmquist, Kohl-Welles and Shin; by request of State Board of Accountancy).

Senate Committee on Labor, Commerce & Consumer Protection
House Committee on Commerce & Labor

Background: The Public Accountancy Act governs the practice of accounting in the state. An accounting firm must be licensed to use the title CPA or perform attest or compilation services. It is a prohibited practice for a firm with an office in the state to practice public accounting without a license. "Practice of public accounting" includes consulting services and preparation of tax returns by a licensee.

Summary: An accounting firm with an office in this state offering to perform attest or compilation services may not use the title CPA without a license. This does not impact the services permitted by unlicensed persons.

Votes on Final Passage:

Senate	44	0
House	98	0

Effective: July 26, 2009

SSB 5436
PARTIAL VETO
C 552 L 09

Concerning direct patient-provider primary care practice arrangements.

By Senate Committee on Health & Long-Term Care (originally sponsored by Senators Murray, Keiser, Pflug, Marr, Parlette, Kastama and Roach).

Senate Committee on Health & Long-Term Care
House Committee on Health Care & Wellness

Background: Legislation passed in 2007 created a new chapter in Title 48 for direct patient-provider primary health care practices. The direct practices were explicitly

exempted from the definition of health care service contractors in insurance law. Direct practices furnish primary care services in exchange for a direct fee from a patient. Services are limited to primary care including screening, assessment, diagnosis, and treatment for the purpose of promotion of health, and detection and management of disease or injury. Direct practices are allowed to pay for charges associated with routine lab and imaging services provided in connection with wellness physical examinations. Direct practices are prevented from accepting payments for services provided to direct care patients from regulated insurance carriers, all insurance programs administered by the Health Care Authority, or self-insured plans. Direct practices may accept payment of direct fees directly or indirectly from non-employer third parties, but are prevented from selling their direct practice agreements directly to employer groups.

Beginning December 1, 2009, the Office of Insurance Commissioner (OIC) must begin reporting to the Legislature annually on direct practices, including participation trends and complaints received. By December 1, 2012, the OIC must submit a study of direct care practices including the impact on access to primary health care services, premium costs for traditional health insurance, and network adequacy.

Summary: Direct practices furnishing primary care are allowed to pay for charges associated with routine lab and imaging services. The restriction that these services be limited to wellness examinations is removed. The restrictions on accepting payments for services from insurers is lifted in part, and direct practices are allowed to accept payments from self-insured plans. A direct practice may accept a direct fee paid by a third-party, including an employer; however, the agreement with the employer must be limited to the timing and method of payment.

Votes on Final Passage:

Senate	47	0	
House	62	36	(House amended)
Senate			(Senate refused to concur)
House	57	36	(House amended)
Senate	29	18	(Senate concurred)

Effective: July 26, 2009

Partial Veto Summary: The Governor vetoed the section adding direct practices to the list of programs and insurance carriers that must pay the assessment to the Washington State Health Insurance Pool, and the section requiring that marketing materials provided by a direct practice be filed for approval with the Insurance Commissioner prior to use.

VETO MESSAGE ON SSB 5436

May 19, 2009

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I have approved, except for Sections 4 and 5, Substitute Senate Bill 5436 entitled:

"AN ACT Relating to payment arrangements involving direct practices."

Section 4 would subject direct patient-provider primary care practices to the assessments used to fund the Washington State Health Insurance Pool. I am concerned that this requirement would increase the cost of such practices at the very time businesses and individuals are badly in need of more affordable health care options.

Section 5 would require a direct practice to submit its advertising and marketing materials to the Insurance Commissioner for approval at least thirty days prior to use. The bill fails to indicate, however, the criteria against which these materials would be reviewed. This section also duplicates protections existing in current law, imposing needless administrative expenses on both these practices and the Commissioner's Office.

For these reasons, I have vetoed Sections 4 and 5 of Substitute Senate Bill 5436.

With the exception of Sections 4 and 5, Substitute Senate Bill 5436 is approved.

Respectfully submitted,

Christine O. Gregoire
Governor

ESSB 5437
C 55 L 09

Regarding the operation and authority of the state conservation commission.

By Senate Committee on Agriculture & Rural Economic Development (originally sponsored by Senators Schoesler, Hatfield and Haugen; by request of Conservation Commission).

Senate Committee on Agriculture & Rural Economic Development
House Committee on Agriculture & Natural Resources

Background: The State Conservation Commission (Commission) performs several functions, including assisting the state's 47 local conservation districts in carrying out soil, water, and other natural resource conservation projects. It consists of 10 members: two appointed by the Governor, three elected by local district supervisors, and five serving ex officio, including directors of the departments of Ecology and Agriculture, the Commissioner of Public Lands, the President of the Washington Association of Conservation Districts, and the Dean of the Washington State University College of Agriculture.

The Commission meets once every two months at locations across the state. Members are eligible for $50 per diem compensation when attending official meetings or performing statutorily prescribed duties approved by the Chair.

The Commission must be supplied with suitable office accommodations, necessary supplies, and equipment at the Department of Ecology's (DOE) central office.

Summary: Commission members are eligible for $100 per diem compensation when attending official meetings

or performing statutorily prescribed duties approved by the Chair.

Suitable office accommodations at DOE's central office need only be supplied to the Commission as long as the Commission and the Office of Financial Management (OFM) deem it appropriate and financially justifiable to do so. OFM will consider possible colocation with other agencies and other ways to achieve efficiencies in the best interest of the state.

The Commission may seek and accept grants from any source, public or private, and accept gifts or endowments.

The Commission may contract for or conduct conferences, seminars, and training sessions and may recover costs for these activities at a rate it determines. It may provide reimbursement to participants in these activities and other Commission sponsored meetings and events, and meals for participants in working meetings.

The Commission's rulemaking authority is clarified, and technical revisions make language gender neutral and delete or correct improper terminology.

Votes on Final Passage:

Senate	46	1
House	95	2

Effective: July 26, 2009

SB 5452

C 291 L 09

Increasing the debt limit of the housing finance commission.

By Senators Kauffman, Kohl-Welles, Tom, Delvin, Kline, Honeyford, Kilmer, Jarrett, McCaslin, Fraser, Prentice, Shin and McDermott.

Senate Committee on Financial Institutions, Housing & Insurance
House Committee on Capital Budget

Background: The Housing Finance Commission (Commission) was created by the Legislature 25 years ago to assist in making affordable and decent housing available throughout the state and to encourage the use of Washington forest products in residential construction. At that time, Washington was the only state without a housing finance agency. Now, as then, federal law authorizes state housing finance agencies to issue tax-exempt revenue bonds to fund low-cost housing assistance.

The Commission has the authority to issue up to $5 billion in outstanding indebtedness. This limitation began in 1983 as $1 billion and was raised five times since then, including in 2006 when the limitation of $4.5 billion was enacted, and 2008 when the current limitation was enacted.

The Commission is a financial conduit. It issues nonrecourse revenue bonds and participates in federal, state, and local housing programs, making additional funds available at affordable rates to help provide housing throughout the state.

The Commission's bonds are not debts of the state or any agency of the state, except the Commission. The Commission has no powers of eminent domain or taxation. Its administrative costs may not be paid from state funds.

Summary: The limitation on the Commission's outstanding indebtedness is raised to $6 billion.

Votes on Final Passage:

Senate	37	10	
House	73	24	(House amended)
Senate	35	12	(Senate concurred)

Effective: July 26, 2009

ESSB 5460

C 5 L 09

Reducing the administrative cost of state government during the 2007-2009 and 2009-2011 fiscal biennia.

By Senate Committee on Ways & Means (originally sponsored by Senators Tom, Zarelli, Prentice, Hewitt and Kline).

Senate Committee on Ways & Means
House Committee on Ways & Means

Background: The programs and functions of state government are administered by numerous state agencies and institutions, the costs of which are appropriated by the Legislature. These administrative costs include expenditures for salaries, wages, equipment, personal services contracts, and state employee travel and training.

The salaries and wages of state employees in positions that are classified under the State Civil Service Act are subject to collective bargaining agreements. The salaries and wages of other nonelected employees are determined by their employing agency, the Governor, or the state Department of Personnel.

In September and November 2008, the State Economic and Revenue Forecast Council reported sharp deteriorations in economic conditions in both the nation and the state, resulting in significant downturns in state revenue collections.

In August 2008, the Governor requested that state agencies reduce administrative expenses by freezing the hiring of new employees, nonemergency out-of-state travel, discretionary purchases of new equipment, and the signing of nonemergency personal services contracts, with some exceptions.

Summary: For the 12 months following the enactment of this legislation, state agencies are prohibited from granting salary or wage increases to any employees who are exempt from classification under the State Civil Service Act.

Until July 1, 2009, state agencies are prohibited from establishing new employee positions or filling existing

vacant employee positions. Exceptions are provided for specified functions directly related to public health and safety, higher education academic programs, law enforcement, revenue collections, the Gambling Commission, and seasonal employment in natural resources agencies and the Department of Transportation maintenance program.

Until July 1, 2009, state agencies are prohibited from signing new contracts for personal services not related to an emergency or not funded from private or federal grants.

Until July 1, 2009, state agencies are prohibited from acquiring items of equipment exceeding $5,000 and not relating to an emergency.

Until July 1, 2009, state agencies are prohibited from making expenditures for state employee out-of-state travel or training not related to an emergency or direct service delivery. Travel costs paid from private or federal grants are not affected.

The hiring, equipment, travel, training, and personal services contract restrictions do not apply to the unemployment insurance program or programs necessary for tax and fee collection or receipt of funds from the federal government.

In institutions of higher education, the restrictions on hiring, personal service contracts, equipment, travel, and training do not apply if the costs are not paid from state funds or tuition.

Exceptions to the prohibitions relating to hiring, contracts, equipment, travel, and training may be granted for executive branch agencies by the Director of Financial Management after five days' notice to the legislative fiscal committees. For the legislative and judicial branches, exceptions will be granted by the Secretary of the Senate, Chief Clerk of the House, and the Chief Justice, respectively.

The act applies to all agencies, offices, and institutions of the executive, legislative, and judicial branches of state government.

Votes on Final Passage:

Senate	49	0	
House	88	7	(House amended)
Senate	48	0	(Senate concurred)

Effective: February 18, 2009

SSB 5461

C 307 L 09

Concerning reserve account and study requirements for condominium associations.

By Senate Committee on Financial Institutions, Housing & Insurance (originally sponsored by Senator Haugen).

Senate Committee on Financial Institutions, Housing & Insurance
House Committee on Judiciary

Background: Reserve studies are used by condominium associations to plan for major repairs, replacement, and the costs associated with repairs and replacement of the condominium community's common elements, including lobbies, roofs, parking lots, or recreation areas. They are also used to determine the necessary size of a reserve fund account. Reserve fund accounts are maintained to pay for major repairs to and replacements of common elements.

Condominiums created before or on July 1, 1990, are subject to the Horizontal Property Regimes Act, and all others are subject to the Condominium Act. In 2008 the Legislature amended the Condominium Act to require condominium associations created after July 1, 1990, to conduct reserve studies and update them annually. Studies are not required if preparing them would present an unreasonable hardship. A reserve study is automatically an unreasonable hardship if it would cost more than 10 percent of the association's annual budget, though lower percentages may still be an unreasonable hardship. Both the initial study and the study every third year must be conducted by a reserve study professional.

Public offering statements and sellers' disclosures must either include 1) a copy of the current reserve study, or 2) a statement that there is no reserve study available along with disclosure of the risks faced by the buyer because of the lack of a reserve study.

Summary: Condominium associations with ten or fewer condominium owners are exempt from reserve study requirements if two thirds of the owners agree to the exemption. An association must vote by two-thirds every three years in order to maintain this exemption, and any public offering statement for a unit in an association so exempted must disclose that no reserve study is available.

Votes on Final Passage:

Senate	44	0	
House	98	0	(House amended)
Senate	46	0	(Senate concurred)

Effective: July 26, 2009

SSB 5468

C 311 L 09

Permitting an exemption for nonprofit housing organizations from the consumer loan act.

By Senate Committee on Financial Institutions, Housing & Insurance (originally sponsored by Senators Honeyford, McCaslin, Kilmer, King, Delvin, Jacobsen, Berkey and Shin).

Senate Committee on Financial Institutions, Housing & Insurance
House Committee on Financial Institutions & Insurance

Background: The Consumer Lending Act (CLA) was first passed in 1991 in order to protect Washington consumers from high-interest lenders. It was a combination of

the Consumer Finance Act and the Industrial Loan Act, and has been amended several times. Under the CLA, a person or business is not permitted to engage in the business of making secured or unsecured loans without a license from the Department of Financial Institutions (DFI). This does not apply if the person is a bank, savings bank, trust company, savings and loan, credit union, or credit card company, or making a loan under the chapter dealing with retail installment sales of goods and services.

Persons licensed by DFI to make loans are subject to a number of restrictions on predatory or fraudulent behavior, must possess a surety bond, must provide DFI with particular information, and are subject to monitoring and regulation by DFI.

Summary: Nonprofit housing organizations making loans under state- or federally-funded housing programs are exempt from the CLA. Lenders and loans are only exempt if the primary purpose of the lending program is to assistant low-income borrowers purchasing or repairing a home, or for development of low-income housing.

Votes on Final Passage:

Senate	45	0	
House	95	0	(House amended)
Senate	46	0	(Senate concurred)

Effective: July 26, 2009

SSB 5469
C 125 L 09

Modifying limitations on the use of intermediate licenses.

By Senate Committee on Transportation (originally sponsored by Senators Parlette, Eide, Jarrett and McCaslin).

Senate Committee on Transportation
House Committee on Transportation

Background: Under current law, intermediate drivers license (IDL) holders have several restrictions placed upon them:

- During the first six months of holding the IDL (or until they are 18, whichever is first), IDL holders may not drive a vehicle carrying any passengers under the age of 20 unless those passengers are immediate family.
- After the initial six-month period, IDL holders may not drive any vehicle carrying more than three people under age 20.
- During the first 12 months of holding the IDL, IDL holders may not drive between 1:00 a.m. and 5:00 a.m. unless they are accompanied by a parent, guardian, or licensed driver who is at least 25 years old.

After 12 months of holding the IDL, the above restrictions are lifted if the ID holder:

- did not violate any of the above restrictions;
- was not found to have committed a traffic offense; and
- was not involved in an auto accident.

Summary: Being in an accident is no longer grounds for denying lifting the restrictions if there is another party to the accident and the other party was cited in connection with the accident.

Votes on Final Passage:

Senate	47	0
House	95	0

Effective: July 26, 2009

SB 5470
C 483 L 09

Providing sales and use tax exemptions for senior residents of qualified low-income senior housing facilities.

By Senators Stevens, Carrell, Parlette, Swecker, McCaslin, Hewitt, Schoesler, King, Holmquist, Pflug, Roach, Delvin and Benton.

Senate Committee on Ways & Means
House Committee on Finance

Background: The sales tax is imposed by the state, counties, and cities on retail sales of most items of tangible personal property and some services, including construction and repair services. The state sales rate is 6.5 percent and the local rates vary by location. The combined state/local rate is between 7 and 9.5 percent, depending on location.

Food and food ingredients purchased for human consumption are exempt from sales and use tax. However, prepared meals served for consumption on the premises or where consumption facilities are provided are generally subject to the retail sales or use tax. Under current law, there is an exemption for prepared meals when they are provided to senior citizens, individuals with disabilities, or low-income persons furnished by a not-for-profit or under a state administered nutrition program for the aged.

Summary: A sales and use tax exemption is provided for senior residents of qualified low-income senior housing facilities. The exemption applies to sales and use tax on charges for bundled service packages and meals when provided by the lessor or operator of a qualified senior housing facility for qualified tenants.

A "qualified low-income senior housing facility" means a facility that (1) meets the definition of a qualified low-income housing project under the federal Internal Revenue Code; (2) has been partially funded under Title 42 U.S.C. Sec. 1485 of the federal Internal Revenue Code; and (3) has a lessor or operator who at any time has been entitled to claim a federal income tax credit under Title 26 U.S.C. Sec. 42 of the federal Internal Revenue Code.

A qualified tenant must be at least 62 years of age. If the sale is billed to both spouses of a marital community or

both domestic partners of a domestic partnership, the sale will be exempt if at least one of the spouses or domestic partners is at least 62 years of age.

Votes on Final Passage:

Senate	46	0
House	95	0

Effective: August 1, 2009

ESSB 5473

C 421 L 09

Designating projects of statewide significance.

By Senate Committee on Economic Development, Trade & Innovation (originally sponsored by Senators Kastama, Kilmer, Pridemore, McAuliffe and Sheldon).

Senate Committee on Economic Development, Trade & Innovation
House Committee on Community & Economic Development & Trade

Background: Industrial projects of statewide significance are defined as either a border crossing project that involves both private and public investments or a private capital investment in manufacturing or research and development. Projects must meet capital investment or job creation requirements. The capital investment requirements range from $20 million for a project located in a county with a population of 20,000 or less, to $1 billion for a project located in a county with a population greater than one million. The job creation requirement is 50 positions in rural counties and 100 positions in urban counties. The Director of the Department of Community, Trade, and Economic Development (CTED) may designate a project as one of statewide significance in special circumstances.

An application for designation as an industrial project of statewide significance must be submitted to CTED. The application must include a letter of approval from jurisdictions where a project is located and must commit to providing the local staff necessary to expedite the completion of a project.

Counties and cities with projects are to enter into agreements with the Office of Permit Assistance and local project managers to expedite the processes necessary for the design and construction of projects. The Office of Permit Assistance is to provide facilitation and coordination services to expedite completion of industrial projects of statewide significance.

Summary: Industrial projects of statewide significance are renamed "projects of statewide significance." Additional projects that may be designated as projects of statewide significance are those development projects that will provide net environmental benefit or will further commercialization of innovations. To qualify, a project must be completed after January 1, 2009. Investment thresholds are reduced to $5 million in the smallest counties and $50 million in the largest counties.

CTED is given additional authority to designate as a project of statewide significance if the project (1) stems from innovation activities at public research institutions in the state or within innovation partnership zones; or (2) will provide a net environmental benefit as determined through the use of established environmental criteria set by the CTED in consultation with the Department of Ecology. Such exceptional designations will only be made after consultation with the Office of Regulatory Assistance on the availability of staff.

CTED must review applications to determine whether a project will provide significant local and/or state economic benefit, whether it is aligned with the state's comprehensive plan for economic development, and whether its designation will prevent equal consideration of all categories of project proposals.

Counties and cities requesting a project's designation as one of statewide significance must ensure the participation of local officials on the public/private team expediting a project's completion. The project proponents may provide the funding necessary for the local jurisdiction to hire the staff required to expedite the process.

Votes on Final Passage:

Senate	47	0	
House	86	10	(House amended)
Senate	42	4	(Senate concurred)

Effective: May 8, 2009

SSB 5480

C 175 L 09

Creating the Washington health care discount plan organization act.

By Senate Committee on Health & Long-Term Care (originally sponsored by Senators Delvin, Franklin, Fairley, Keiser and Shin; by request of Insurance Commissioner).

Senate Committee on Health & Long-Term Care
Senate Committee on Ways & Means
House Committee on Health Care & Wellness
House Committee on General Government Appropriations

Background: Discount health plans are membership organizations that charge a fee for a list of providers that offer discounted health care services or products. The discount plans are not insurance products, but many consumers have been confused by the product marketing, as evidenced by increasing consumer complaints to the Office of Insurance Commissioner (OIC). The discount health plans are currently unregulated and have no disclosure or marketing standards to ensure consumer protection.

Summary: A new chapter is added to Title 48 RCW requiring discount plans to obtain a license from OIC to do business in Washington. Discount plan means a business arrangement or contract in which a person or organization provides discounts on charges by providers for health care services in exchange for fees or dues. Newly defined discount plans do not include discount plans offered by regulated insurance carriers, a Medicare prescription drug plan, or a patient access program sponsored by a pharmaceutical manufacturer that provides free or discounted products to the low-income or uninsured.

Each application for a license to operate as a discount plan organization requires an application fee of $250 and business documentation including copies of contracts with providers or health care provider networks, contracts with persons or firms that will market each plan or administer any functions, a description of the marketing methods, a description of the member complaint procedures, and other information OIC may require. Upon receipt of a complete application packet, OIC must issue a license within 90 days if OIC is satisfied the application conditions have been met. The license is effective for one year unless suspended or revoked. OIC may suspend or revoke a license if the organization falls out of compliance, does not have the minimum net worth required, has misrepresented its services or engaged in deceptive, misleading, or unfair advertising, or the continued operation would be hazardous to its members. OIC may conduct investigations to ensure discount organizations are in compliance.

Marketing standards are established. Marketing materials must disclose all charges that a member must pay for each discount plan. If a member cancels his or her membership within the first 30 days, a full reimbursement of all charges must be provided. If notice of cancellation is made later, the discount plan must return any charges collected after the notice of cancellation. Discount organizations may market directly to consumers or contract with marketers. All advertising materials must be truthful and not misleading in fact or implication. The products may not be described as insurance nor use terms commonly associated with insurance, such as "health plan," "coverage," "copay," etc.

Each discount plan organization must have a written agreement with all health care providers for whom the discount offers services. The agreement must detail the list of services or products to be provided at a discount, the amount of the discount, and a requirement that the provider may not charge members more than the discounted rates.

In lieu of or in addition to suspending or revoking a discount plan organization's license, OIC may issue a cease and desist order if there is cause to believe there is a violation of this act. After a hearing OIC may impose a penalty of $100 to $10,000 per violation. A person that collects fees for membership as a discount plan but willfully fails to provide the promised benefits commits a theft and is subject to the Washington Criminal Code in Title 9A RCW. OIC may seek both temporary and permanent injunctive relief when a discount plan is being operated by an unlicensed person or entity, or if a discount plan has engaged in any activity prohibited by this act. OIC may adopt rules to implement this chapter.

Discount plans in operation prior to the effective date of this act have six months following the effective date to submit a substantially complete application for a license and come into compliance with requirements of this chapter.

Votes on Final Passage:

Senate	43	3
House	69	29

Effective: July 26, 2009

SSB 5481

C 56 L 09

Concerning veterans' burials.

By Senate Committee on Government Operations & Elections (originally sponsored by Senators Marr, Becker, Hobbs, Haugen, Franklin, Parlette, Eide, Rockefeller, Hatfield, Jarrett, Jacobsen, Kilmer, Berkey, Tom, Swecker, King, Kastama, Shin, McDermott, Prentice, Fairley, Holmquist, Brandland, McCaslin, Ranker, McAuliffe, Roach, Honeyford and Kauffman).

Senate Committee on Government Operations & Elections

House Committee on Judiciary

Background: A person or entity in lawful possession of unclaimed human remains for a period of 90 days or more may dispose of the remains. The disposition of the unclaimed human remains must be in accordance with the rules adopted by the Washington State Cemetery Board and the Board of Funeral Directors and Embalmers.

The Department of Veterans Affairs (DVA) uses various records and databases to determine whether a decedent is eligible for interment at a state or federal veterans' cemetery. An individual must be a United States veteran discharged under conditions other than dishonorable, a veteran's spouse, or a veterans' dependent child to be eligibility for internment at the National Veterans' Cemetery or Washington State Veterans' Cemetery.

Summary: Any deceased veteran or veteran's dependant that is left unclaimed for a period of 90 days or longer, and is certified by the DVA as eligible for internment at a federal or state veterans' cemetery, must be transferred from the person or entity in possession of such human remains to the custody of the DVA. The person or entity transferring the human remains to the DVA is immune from any liability associated with such transfer. The state, its employees, and agents are also immune from any liability related to the transfer of such human remains to the DVA.

Votes on Final Passage:

Senate	48	0
House	97	0

Effective: July 26, 2009

SB 5482
C 275 L 09

Modifying provisions governing two-wheeled and three-wheeled vehicles.

By Senators Haugen and Swecker; by request of Washington State Patrol.

Senate Committee on Transportation
House Committee on Transportation

Background: Current statutes defining and regulating motorcycles, mopeds, and motorized foot scooters are inconsistent with federal definitions and regulations. The federal definition of a motorcycle allows for a saddle and steering wheel, while the state definition of motorcycle is limited to units which are ridden astride by the driver and steered by handlebars. State laws pertaining to mopeds require compliance with federal safety standards, but also contain wheel size and pedal specifications that conflict with those specifications included in the federal definition of moped. Some vehicles that meet the state definition of motorized foot scooter are capable of traveling at freeway speeds, yet current statutes allow drivers to operate them on bicycle paths and without a driver's license or endorsement. Under federal law, any vehicle that travels at speeds of 25 miles per hour or more must follow certain safety requirements.

Summary: The state definition of motorcycle is amended to conform with the federal definition for motorcycle, and includes certain vehicles that have a saddle or steering wheel. An operator of an enclosed three-wheel vehicle with a steering wheel and bucket seat that meets the definition of motorcycle must: (1) register the vehicle as a motorcycle; (2) wear a seat belt and helmet – unless the manufacturer has certified compliance with federal standards for roof crush resistance; and (3) not transport children under the age of five.

The wheel size and pedal specifications are eliminated from the definition of moped in conformity with the federal definition of moped.

The definition of a motorized foot scooter is revised to specify a top speed of 20 miles per hour. A user of a motorized foot scooter must wear a bicycle helmet, and may not operate the scooter on sidewalks or fully-controlled limited access highways.

Jurisdictions with vehicle-activated control signals are required to create a procedure for recording issues with signals and establish a procedure to prioritize and repair the signals with detection issues. Vehicle detection areas must be clearly marked on the pavement if the existing detector is anywhere but in the center of the lane and immediately before the stop line or crosswalk.

A person holding a valid driver's license may operate a motorcycle as defined in RCW 46.04.330(2) (i.e. with a partially or completely enclosed seat, and equipped with safety belts and a steering wheel) without a motorcycle endorsement.

Votes on Final Passage:

Senate	31	13	
House	59	38	(House amended)
Senate	32	14	(Senate concurred)

Effective: July 26, 2009

SB 5487
C 57 L 09

Changing the notification date for nonrenewal of a certificated employee's contract.

By Senator Brandland.

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

Background: Under current law, employees, provisional employees, and certificated employees for whom it has been determined that there is probable cause or causes that the employment contract should not be renewed by the district for the next ensuing term must be notified in writing on or before May 15 preceding the commencement of such term of that determination; or if the Omnibus Appropriations Act has not passed the Legislature by May 15, then notification must be no later than June 1. The notification must specify the cause or causes for nonrenewal of contract and notice must be served upon the employee personally, or by certified or registered mail, or by leaving a copy of the notice at the place of usual abode with some person of suitable age and discretion who resides therein.

Administrators for whom it has been determined that it is in the best interests of the school district to transfer to a subordinate certificated position must be notified in writing by the superintendent on or before May 15 preceding the commencement of such term of that determination; or if the Omnibus Appropriations Act has not passed the Legislature by May 15, then notification must be no later than June 1. The notification must specify the reason or reasons for the transfer, identify the subordinate certificated position to which the administrator will be transferred, and notice must be served upon the administrator personally, or by certified or registered mail, or by leaving a copy of the notice at the place of usual abode with some person of suitable age and discretion who resides therein.

Summary: Notice of nonrenewal or transfer must be provided to employees or administrators by June 15 if the Omnibus Appropriations Act has not passed the Legislature by May 15.

Votes on Final Passage:

Senate	48	0
House	96	1

Effective: April 10, 2009

SB 5492
C 126 L 09

Applying RCW 41.56.430 through 41.56.490 to employees working under a site certificate issued under chapter 80.50 RCW.

By Senators Marr, Swecker, Kohl-Welles, Benton, Keiser and Franklin.

Senate Committee on Labor, Commerce & Consumer Protection
House Committee on Commerce & Labor

Background: Employees of cities, counties, and other political subdivisions of the state bargain their wages and working conditions under the Public Employees' Collective Bargaining Act (PECBA) administered by the Public Employment Relations Commission. For uniformed personnel, the PECBA recognizes the public policy against strikes as a means of settling labor disputes. To resolve impasses over contract negotiations involving these uniformed personnel, the PECBA requires binding arbitration.

The employees who are listed as uniformed personnel include, among others, firefighters in all cities and counties and law enforcement officers in larger cities and counties; correctional security personnel employed in larger county jails; general authority peace officers and firefighters employed by certain port districts; security forces at a nuclear power plant; and publicly employed advanced life support technicians. Other public employees covered by interest arbitration include State Patrol officers and certain transit employees under the PECBA and ferry workers under the Marine Employees' Public Employment Relations Act.

For all personnel who are subject to binding interest arbitration under the PECBA, an interest arbitration panel must consider the authority of the employer; stipulations of the parties; a comparison of wages, hours, and conditions of employment of personnel involved in the proceedings with those of like personnel; the cost-of-living; changes in circumstances in any of these factors during the proceedings; and other factors normally or traditionally considered in the determination of wages, hours, and conditions of employment.

Summary: The interest arbitration provisions of the PECBA apply to operating and maintenance employees who are employed at a commercial nuclear power plant by a joint operating agency.

For these operating and maintenance employees, an interest arbitration panel must consider the authority of the employer; stipulations of the parties; a comparison of the wages, benefits, hours of work, and working conditions of the personnel involved in the proceeding with those of like personnel in relevant Washington labor markets, or for classifications not found in Washington, with those of similar personnel in Arizona and California; economic indices, fiscal constraints, relative differences in the cost of living, and similar factors determined to be pertinent; and other factors normally or traditionally considered in the determination of wages, benefits, hours of work, and working conditions.

Votes on Final Passage:

Senate	33	15
House	64	34

Effective: July 26, 2009

SSB 5499
PARTIAL VETO
C 473 L 09

Concerning bond amounts for department of transportation highway contracts.

By Senate Committee on Transportation (originally sponsored by Senators Jarrett, Swecker, Haugen, Marr and Shin; by request of Department of Transportation).

Senate Committee on Transportation
House Committee on Transportation

Background: Current law requires that public works contracts have a surety bond equal to the full contract price. A surety bond is a three-way contract in which a bonding company, or surety, agrees to guarantee the public entity that the contractor will perform its obligations under the contract and will make all payments to subcontractors, laborers, and suppliers. The bond covers both performance and payment. If the contractor defaults in the performance of the contract or fails to fully pay subcontractors, suppliers, and workers, the surety becomes liable to provide bond funds to complete the contract or pay unpaid subcontractors, suppliers, or workers.

Based on recent activity in the surety market and on industry information, sureties do not generally sell bonds in which the value of the bond exceeds $500 million. On contracts that exceed the $500 million level, contractors may generally obtain bonds at less than the full contract price and only in states where the law allows them to do so.

In a number of states, separate bonds are required for performance and for payment. The Department of Transportation (DOT) indicates that the maximum risk at any given time on a highway construction project to which the state is exposed is about 30 percent of the contract amount.

Summary: DOT is authorized to allow contractors to provide surety bonds at less than 100 percent of the price of contracts exceeding $250 million. If surety bonds at less

than the full contract price are authorized, the contractor must provide both a performance bond and a payment bond. DOT must set the amount of the performance bond to adequately cover 100 percent of the state's exposure to loss but no less than $250 million. The payment bond must be set at no less than the performance bond amount.

DOT must develop risk assessment guidelines for the purposes of assessing the state's exposure to loss on highway construction contracts. The Office of Financial Management (OFM) must approve the guidelines before DOT may authorize contractors to provide surety bonds at less than the full price of a contract.

DOT must report to the Legislature by December 2012 on any activity on contracts of $250 million or more in which surety bonds at less than 100 percent of contract price were provided.

This authority expires at the end of fiscal year 2016.

Votes on Final Passage:

Senate	48	0	
House	92	2	(House amended)
Senate	38	9	(Senate concurred)

Effective: July 26, 2009

Partial Veto Summary: The Governor vetoed the section that required the Governor in consultation with OFM and the Secretary of DOT to approve contracts where surety bonds at less than the full contract price were considered.

VETO MESSAGE ON SSB 5499

May 13, 2009

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning, without my approval as to Section 2, Substitute Senate Bill 5499 entitled:

"AN ACT Relating to bond amounts for department of transportation highway contracts."

Section 2 of this bill requires the Governor to approve any contracts in which the Washington State Department of Transportation intends to authorize bonds in an amount less than the full contract price of the contract.

Section 1 of the bill requires the Office of Financial Management to approve risk guidelines developed by the Department of Transportation prior to authorizing bonds in an amount less than the full price of the contract. Section 1 also requires the Office of Financial Management to review and approve the decision of the Secretary of Transportation to authorize a bond in an amount less than the full price of the contract prior to proceeding with the contract. Approval from the Office of Financial Management of the risk guidelines, as well as review of pending contracts constitutes sufficient oversight by the Governor's office of highway contract decisions. Requiring subsequent approval from the Governor is redundant and is not a necessary statutory requirement.

For these reasons, I have vetoed Section 2 of Substitute Senate Bill 5499.

With the exception of Section 2, Substitute Senate Bill 5499 is approved.

Respectfully submitted,

Christine O. Gregoire
Governor

SSB 5501

C 300 L 09

Concerning the secure exchange of health information.

By Senate Committee on Ways & Means (originally sponsored by Senators Keiser, Pflug, Franklin, Parlette, Murray and Kohl-Welles).

Senate Committee on Health & Long-Term Care
Senate Committee on Ways & Means
House Committee on Health Care & Wellness
House Committee on Health & Human Services Appropriations

Background: Patient and health care provider access to and exchange of health care information is often confusing, limited and inconsistent. In 2005 the Legislature established the Health Information Infrastructure Advisory Board (HIIAB) in an effort to address this issue. The Health Care Authority (HCA) collaborated with the HIIAB to develop a strategy for the adoption and use of electronic medical records and health information technologies consistent with emerging national standards. In its final report the HIIAB recommended that health record banks be implemented, consumers be involved in the development of health record banking, health care providers be encouraged to adopt electronic medical records, and the state provide funding for the implementation plan.

The Blue Ribbon Commission on Health Care Costs and Access (Commission) noted in its 2007 Final Report that "patient safety is compromised and resources wasted when health care providers and patients lack access to health information when its most needed." The Commission went on to recommend that Washington State develop a system to provide electronic access to patient information from anywhere in the state and include incentives for providers to purchase health information technology.

Summary: By August 1, 2009, the HCA administrator must designate a lead private sector organization to develop guidelines and standards to improve patient access to their own health care information and implement methods to exchange clinical data securely. This lead organization must be representative of state health care privacy advocates, providers, and payors. It must also have expertise in areas related to the secure exchange of health data and be able to support the cost of its work without resorting to the use of public funding. The lead organization must provide regular updates to the HCA. The HCA must review the work of the lead organization and consult with the Attorney General. The lead organization must attempt to

minimize the implementation costs for participating entities. By December 1, 2011, the lead organization will develop guidelines identifying high value health data, processes to exchange data, data security, and explanatory information for patients and health care providers, consistent with the Health Insurance Portability and Accountability Act.

Votes on Final Passage:

Senate	47	0	
House	96	0	(House amended)
Senate	45	0	(Senate concurred)

Effective: July 26, 2009

SSB 5504

C 456 L 09

Concerning reclaimed water permitting.

By Senate Committee on Environment, Water & Energy (originally sponsored by Senators Fraser, Honeyford, Rockefeller, Marr, Kline and Morton; by request of Department of Ecology).

Senate Committee on Environment, Water & Energy
House Committee on Agriculture & Natural Resources

Background: Reclaimed water is wastewater treatment system effluent that has been treated in order to be suitable for a beneficial use or a controlled use that otherwise would not occur. Reclaimed water may be used for a variety of nonpotable water purposes including irrigation, agricultural uses, industrial and commercial uses, stream flow augmentation, dust control, fire suppression, surface percolation, and discharge into constructed wetlands.

The Department of Health (DOH) issues permits to water generators for commercial or industrial uses of reclaimed water. The Department of Ecology (DOE) issues reclaimed water permits for land applications of reclaimed water. DOH and DOE were required to adopt a single set of standards, procedures, and guidelines for industrial and commercial uses and land applications of reclaimed water. These standards were adopted in the mid-1990s, and resulted from consultation with an advisory committee of interested stakeholders.

In 2006 the Legislature required DOE to adopt rules for reclaimed water use, in coordination with DOH, and in consultation with the Rules Advisory Committee (RAC). The rules must address all aspects of reclaimed water use, including industrial uses, surface percolation, and stream flow augmentation. To this end, DOE and DOH, with the involvement of the RAC and several other task forces, have reviewed the current reclaimed water regulations and have suggested ways to make development of reclaimed water facilities easier and more efficient.

Summary: DOE and DOH will determine by rule which agency will act as the lead agency for purposes of the reclaimed water code. Both agencies have the authority to carry out the provisions of the reclaimed water code, including permitting and enforcement. The lead agency must refer all permit applications to the nonlead agency for review and consultation. DOE may use permit fees for administration of the reclaimed water system permits. All plans, reports, and proposed methods of operation and maintenance must be approved by the lead agency before construction may begin.

The lead agency must provide adequate public notice and opportunity for review and comment on all initial permit and renewal applications. The permitting decision is appealable in the manner established for the agency acting as the lead agency on that application.

The reclaimed water permit must include provisions that protect human health and the environment. The permit also must assure adequate and reliable treatment, and govern the water quality, location, rate, and purpose of use. A permit may only be issued to (1) a municipal, quasi-municipal, or governmental entity; (2) a private utility; (3) the holder of a waste disposal permit; (4) the owner of an agricultural processing facility that is generating agricultural industrial process water for agricultural use; or (5) the owner of an industrial facility that is generating industrial process water for reuse.

The lead agency has the right to enter and inspect any public or private property related to the reclaimed water permit in order to determine compliance with laws and rules. Violations of the reclaimed water code may include fines up to $10,000 and the costs of prosecution, imprisonment in the county jail of not more than one year, or both. Each day of a willful violation of the reclaimed water code may be deemed a separate and additional violation. Penalties imposed by DOE go to the General Fund, whereas penalties imposed by DOH must be used to provide training and technical assistance to reclaimed water system owners and operators.

If the proposed use of reclaimed water is to augment or replace potable water supplies or to create the potential for the development of an additional new potable water supply, then regional water supply plans must consider the proposed use of the reclaimed water. The DOE must review comments from the Reclaimed Water Committee and Reclaimed Water and Water Rights Advisory Committee by November 30, 2009, and submit a recommendation to the Legislature on the impairment requirements and the standards for reclaimed water, as well as the positions of the stakeholders on those issues.

Votes on Final Passage:

Senate	45	1	
House	98	0	(House amended)
Senate	45	2	(Senate concurred)

Effective: July 26, 2009

SSB 5509
C 346 L 09

Clarifying rental car company charges, surcharges, and fees to be included in rental car agreements.

By Senate Committee on Transportation (originally sponsored by Senators Marr, Kauffman and Shin).

Senate Committee on Transportation
House Committee on Transportation

Background: Under current law, rental car companies are not required, nor are they prevented from, separately identifying fees or surcharges that are imposed in addition to the rental rate and applicable rental car taxes.

Summary: Rental car companies may include separately stated surcharges or fees in their rental agreements.

If a rental car company does include a separate vehicle license cost recovery fee in a transaction, the fee must represent the company's good faith estimate of the average daily charge to recover actual, total annual titling, registration, plating, and inspection costs.

If the vehicle cost recovery fee imposed is found to exceed the actual costs for that calendar year, the rental car company can retain that amount but must adjust the 'vehicle cost recovery fee' for the following calendar year by the corresponding amount.

Rental car businesses may include a child restraint system rental fee as a separately stated charge in a rental transaction, in which case the amount of the fee must represent no more than the rental car company's good faith estimate of the rental car company's costs to provide a child restraint system.

Rental car customers who reserve a child restraint system are allowed to cancel the reservation for the vehicle without penalty and receive a full refund if the child restraint system is not provided in a timely manner, as determined by the customer, but in no case less than one hour of the customer's arrival at the location where the customer expects to receive the vehicle.

Votes on Final Passage:

Senate	44	0	
House	95	0	(House amended)
Senate	46	1	(Senate concurred)

Effective: July 26, 2009

SSB 5510
C 484 L 09

Regarding notification in dependency matters.

By Senate Committee on Human Services & Corrections (originally sponsored by Senators Stevens, Hargrove, Swecker and Shin).

Senate Committee on Human Services & Corrections
House Committee on Early Learning & Children's Services

Background: The dependency statute provides in a number of places that various persons are to receive notice for a number of different hearings; however, the statutes do not require that parents receive written notice of the consequences of their failure to participate in services.

Summary: A standard single-page notice must be attached to all Individual Services and Safety Plans prepared in children's dependency cases reminding parents of the importance of engaging in services, complying with court orders, and maintaining contact with the child during the pendency of the case.

Votes on Final Passage:

Senate	49	0	
House	98	0	(House amended)
Senate			(Senate refused to concur)
House	92	2	(House amended)
Senate	48	0	(Senate concurred)

Effective: July 26, 2009

SB 5511
C 127 L 09

Making changes affecting city-county assistance account distributions in response to the recommendations of the joint legislative audit and review committee.

By Senators Prentice, Hobbs, Oemig and Shin; by request of Department of Revenue.

Senate Committee on Ways & Means
House Committee on Finance

Background: In 2005 the Legislature enacted Engrossed Substitute Senate Bill 6050 to establish the city-county assistance account (CCAA). The CCAA provides funds to distressed cities and counties that were most severely impacted by the repeal of the MVET. The CCAA is funded by a portion (1.6 percent) of state real estate excise tax (REET) revenues, which reduced the amount of REET revenue that is deposited in the public works assistance account from 7.7 percent to 6.1 percent.

Distributions from the CCAA are made quarterly based on amounts certified by the Department of Revenue (Department) by March 1 of each year. Formulas are used to determine eligibility for CCAA distributions and in what amounts. Elements of the formulas include local

sales tax revenues, assessed property values, and population.

Included in ESSB 6050 was a directive to the Joint Legislative Audit and Review Committee (JLARC) to review the distributions to cities and counties and determine if the distributions targeted those jurisdictions with the greatest financial need. The JLARC study made two recommendations regarding the CCAA distributions.

The first recommendation was to change the date for certification of CCAA distributions from March to June. This would allow the Department to use the prior year's assessed property valuation data as specified in statute.

JLARC's second recommendation is for the Department to provide the Legislature with a report on the interaction between streamlined sales tax (SST) mitigation funding to cities and counties and distributions provided through the CCAA.

Summary: SST mitigation distributions are included into the determination of eligibility for, and amounts of, CCAA distributions. SST mitigation payments are treated as annual distributions of local sales and use taxes imposed by the city or county.

The certification date for CCAA distributions is changed from March 1 to October 1, beginning October 1, 2009. This date will enable the Department to use the prior year's assessed property valuation data as specified in statute.

The Department's certification is final after a 30-day review period. By September 1 of each year, the Department will provide a preliminary certification of jurisdictions eligible for assistance. After a 30-day review period, the Department would finalize the certification by October 1. After the certification becomes final, no changes may be made to the certification.

The act applies retroactively to March 1, 2009, and prospectively.

Votes on Final Passage:

Senate	46	0
House	61	37

Effective: July 26, 2009

ESSB 5513

C 279 L 09

Concerning law enforcement authority that relates to civil infractions and unlawful transit conduct.

By Senate Committee on Transportation (originally sponsored by Senators Jarrett, Swecker, Delvin, Marr, Kilmer and Tom).

Senate Committee on Transportation
House Committee on Transportation

Background: Under current law, unlawful bus conduct includes certain actions conducted while in a municipal transit vehicle or at a municipal transit station. Unlawful bus conduct includes knowingly littering, spitting, obstructing the flow of transit vehicles or passenger traffic, and destroying transit property. Unlawful bus conduct is a misdemeanor.

Regional transit authorities (RTAs) are authorized to set fines and penalties for civil infractions established under the RTA statute. The fines cannot be greater than the fine for a class 1 civil infraction, which is currently $250. The civil infractions established by the RTA statute are failure to pay the required fare, failure to display proof of payment when requested to do so, and failure to leave the train when requested to do so by a person designated to monitor fare payment.

Summary: The statute pertaining to unlawful bus conduct is changed to a statute pertaining to unlawful transit conduct in a transit vehicle or at a transit station. Definitions for transit vehicle and transit authority are added to the statute. A transit vehicle means any motor vehicle, street car, train, trolley, or ferry boat that is owned or operated by a transit authority or an entity providing service on behalf of a transit authority, for the purpose of carrying passengers on a regular schedule. A transit authority means a city or county public transportation system, a metropolitan municipal corporation public transportation system, or any special purpose district formed to operate a public transportation system, including RTAs and public transportation benefit areas. The definition of a transit station is changed to include all passenger stops, shelters, and bus zones.

The list of conduct that is unlawful is expanded to include, among other additions, unreasonably disturbing others with loud or harassing behavior; possessing or tendering an unissued fare media; falsely claiming to be a transit employee; engaging in gambling; skating on skates, or riding on a skateboard, coaster, or toy vehicle; and engaging in conduct that is inconsistent with the intended use and purpose of the transit facility, transit station, or transit vehicle and refusing to obey the commands of an agent of the transit authority or peace officer to stop the conduct.

The definition of "facilities" in the statute pertaining to RTAs is changed to explicitly include trains, stations, and designated passenger waiting areas. An RTA has the authority to issue civil infractions and ask persons to leave an RTA facility for failure to show proof of payment.

Municipal courts may hear civil infractions that are established by local law or resolution of a transit agency authorized to issue civil infractions. In addition, the statute pertaining to hearings for civil infractions is changed to allow an attorney representing a transit agency that has the authority to issue civil infractions to appear in civil infraction proceedings.

Votes on Final Passage:

Senate	48	0	
House	96	2	(House amended)
Senate	47	0	(Senate concurred)

Effective: July 26, 2009

SB 5525

PARTIAL VETO

C 455 L 09

Concerning rental vouchers to allow release from state institutions.

By Senators Carrell, Hargrove, Stevens, Regala, Brandland, Kauffman and McAuliffe.

Senate Committee on Human Services & Corrections
House Committee on Human Services
House Committee on Ways & Means

Background: Inmates may shorten their sentence time, if they display good behavior, through a program called earned early release. Depending on the crime committed, date of conviction, and the offenders' risk classification, offenders may get from 10 to 50 percent time off their sentence.

Offenders who are convicted of a sex offense, a violent offense, a crime against persons, or a drug crime are eligible to be released to community custody in lieu of earned early release. The Department of Corrections (DOC) may deny transfer of the offender to community custody if the offender does not have an approved release plan. In the release plan, the offender must propose a residence location and living arrangements. If DOC finds that the proposed plan may violate the offender's conditions of sentence, place the offender at risk to reoffend, or compromise community safety, DOC will not approve the offender's release plan. In this case, the offender will remain incarcerated until a viable release plan is found or the offender reaches the end of his or her sentence.

In 2008 DOC held 1,258 offenders past their earned early release date for a total of 135,011 bed days (or an average of 107 days per offender). The offenders' release plans were denied for a variety of reasons, including the lack of a sponsor or living arrangement, county of origin issues, community safety, or lack of cooperation in programming or conditions.

Summary: DOC may provide rental vouchers to an offender for a period up to three months, if rental assistance will enable the offender to have an approved release plan.

A rental voucher must be provided in conjunction with other transitional support programming or services such as substance abuse treatment, mental health treatment, sex offender treatment, educational programming, or employment programming. DOC is required to track the offender's housing status for the offender's term of supervision.

Votes on Final Passage:

Senate	42	2	
House	54	43	(House amended)
Senate	33	10	(Senate concurred)

Effective: May 11, 2009 (Section 3)
July 26, 2009
August 1, 2009 (Section 2)

Partial Veto Summary: The Governor vetoed the requirement that DOC report to the Legislature by December 1, 2009, regarding the number of rental vouchers issued and the sanction history of offenders who receive them.

VETO MESSAGE ON SB 5525

May 11, 2009

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

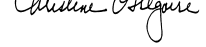
I have approved, except for Section 4, Senate Bill 5525 entitled:

"AN ACT Relating to rental vouchers to allow release from state institutions."

This section requires a report from the Department of Corrections to the Legislature on December 1, 2009 regarding the number of rental vouchers issued to offenders and any corresponding sanction history for those offenders receiving vouchers. No funding is included in the budget for this report. I am directing the Department to keep track of information related to this bill.

For this reason, I have vetoed Section 4 of Senate Bill 5525. With the exception of Section 4, Senate Bill 5525 is approved.

Respectfully submitted,



Christine O. Gregoire
Governor

SSB 5531

C 371 L 09

Modifying provisions relating to consumer protection act violations.

By Senate Committee on Labor, Commerce & Consumer Protection (originally sponsored by Senators Regala, Keiser, Kohl-Welles, Kauffman, Kline, Oemig, Pridemore, Tom and Franklin).

Senate Committee on Labor, Commerce & Consumer Protection
House Committee on Judiciary

Background: The Consumer Protection Act (CPA), first enacted in 1961, prohibits unfair or deceptive practices in trade or commerce. The act includes prohibitions on anticompetitive behavior and restraints on trade. The act may be enforced by private parties, the state, counties, municipalities, and all political subdivisions of the state.

Damages Under the CPA. In a lawsuit for a CPA violation, a prevailing plaintiff is entitled to recover (1) the actual damages sustained; (2) the costs of the suit; and (3)

reasonable attorney's fees. Additionally, a court has the discretion to award additional damages in the amount of up to three times the actual damages sustained by the plaintiff. These discretionary treble damages are capped at $10,000 in superior court and $75,000 in district court.

Treble damages are available to private parties, counties, municipalities, and all political subdivisions of the state.

Private Actions Under the CPA. To prevail on a private CPA claim, a plaintiff must show (1) an unfair or deceptive act or practice; (2) that occurs in trade or commerce; (3) a public interest; (4) injury to the plaintiff in the plaintiff's business or property; and (5) a causal link between the unfair or deceptive act and the injury suffered.

Summary: In a lawsuit for a CPA violation, the district and superior courts have the discretion to award up to $25,000 in damages, which may be awarded to private parties and to the counties, municipalities, and political subdivisions of the state.

In a private action claiming a CPA violation, a claimant may establish that the act or practice is injurious to the public because it:

- violates a statute which incorporates the CPA;
- violates a statute which contains a specific legislative declaration of public interest impact; or
- injured other persons, had the capacity to injure, or has the capacity to injure other persons.

Votes on Final Passage:

Senate	28	17	
House	59	39	(House amended)
Senate	29	17	(Senate concurred)

Effective: July 26, 2009

SSB 5537
C 500 L 09

Eliminating the statutory debt limit.

By Senate Committee on Ways & Means (originally sponsored by Senator Fraser; by request of Office of Financial Management).

Senate Committee on Ways & Means
House Committee on Capital Budget

Background: The level of debt incurred by the State of Washington is constrained by constitutional and statutory limitations on annual debt service payments. The state constitution limits aggregate debt so that annual debt service payments for general obligation bonds do not exceed 9 percent of the average annual amount of general revenue received in the prior three fiscal years. State law limits debt so that debt service payments do not exceed 7 percent of the three-year average amount of revenue that includes general revenue plus property tax and lottery receipts. Property tax and lottery receipts do not meet the definition of general revenue under the constitution because they are designated for specific purposes. Because of the different definitions of revenue, the 9 percent constitutional limit currently allows for less borrowing than the 7 percent statutory debt limit.

Summary: The act repeals the existing statutory debt limit and strikes references to it throughout the RCWs. The act adds a new section that establishes a new statutory debt limit that is the same as the constitutional debt limit, thus creating a single debt limit for the state.

Votes on Final Passage:

Senate	29	16
House	50	44

Effective: July 1, 2009

SSB 5539
C 553 L 09

Regarding investment expenses of counties.

By Senate Committee on Government Operations & Elections (originally sponsored by Senators Oemig, Jarrett, McAuliffe, Pflug and Tom).

Senate Committee on Government Operations & Elections
House Committee on Local Government & Housing

Background: County treasurers operate under the authority of various state statutes relating to the receipt, processing, and disbursement of funds. County treasurers are the custodians of the county's money and the administrator of the county's financial transactions. County treasurers also provide financial services to special purpose districts and other units of local government including receipt, disbursement, investment, and accounting of the funds for each of these entities. County treasurers are authorized to use funds from a county investment pool to create a revolving fund. Expenditures from the fund are made to reimburse the treasurer's office for the actual expenses it incurs from the initial administrative costs of establishing the county investment pool.

Summary: County investment pools are available to local governments seeking to invest funds with the county. A county treasurer must honor the request from a local government to invest its funds in a county investment pool. Actual expenses include only the county treasurer's direct and out-of-pocket costs. The term "direct costs" is defined. Any indirect or loss-of-opportunity costs will not be included in determining the county's actual expenses.

Votes on Final Passage:

Senate	43	1	
House	96	1	(House amended)
Senate	46	1	(Senate concurred)

Effective: July 26, 2009

SB 5540
C 280 L 09

Establishing high capacity transportation corridor areas.

By Senators Pridemore, Hargrove, Marr, Shin and Haugen.

Senate Committee on Transportation
House Committee on Transportation

Background: Under current law, certain transit agencies may choose to establish high capacity transportation service. High capacity transportation service is a system of public transportation service within an urbanized region operating principally on exclusive rights of way that provides a substantially higher level of passenger capacity, speed, and service frequency than traditional public transportation systems. Various revenue sources are available to support the service (i.e., employer tax, rental car tax, and sales/use tax), which are all subject to voter approval. Currently, only the regional transit authority in the central Puget Sound region (Sound Transit) finances and operates high capacity transportation service.

Summary: A transit agency located within certain counties bordering a state boundary may establish one or more high capacity transportation corridor areas (HCTCA) within the transit agency's boundaries. A HCTCA is a separate, independent local government with specific taxing authority, established to finance and provide high capacity transportation service. A HCTCA is governed by the members of the transit agency governing body that proposes the HCTCA. A HCTCA may use any of the high capacity transportation revenue options available to transit agencies to finance the service. However, the combined rates between the transit agency proposing the HCTCA, and any HCTCA within that transit agency's boundaries, may not exceed the maximum rates currently allowed. Additionally, an HCTCA has separate, independent authority to issue bonds up to the maximums allowed under the state Constitution.

A HCTCA may not submit a tax measure to voters prior to July 1, 2012, and may only obtain voter-approved taxes one time, even if additional taxing capacity remains after the approval.

Votes on Final Passage:

Senate	30	17	
House	52	45	(House amended)
Senate	29	19	(Senate concurred)

Effective: July 26, 2009

SB 5542
FULL VETO

Providing a minimum retirement allowance for members of the law enforcement officers' and firefighters' retirement system plan 2 who were disabled in the line of duty before January 1, 2001.

By Senators Franklin, Delvin and Kohl-Welles; by request of LEOFF Plan 2 Retirement Board.

Senate Committee on Ways & Means
House Committee on Ways & Means

Background: Members of the Law Enforcement Officers' and Fire Fighters' Retirement System, Plan 2 (LEOFF 2) are eligible for a retirement allowance of 2 percent of average final salary for each year of service credit earned at age 53. Members of LEOFF 2 may apply for early retirement beginning at age 50; however, the member's benefit is reduced by 3 percent per year below age 53 if the member has 20 or more years of service and fully actuarially reduced if the member has less than 20 years of service.

If a member becomes disabled for a nonduty related reason, that member may receive a retirement allowance based on the 2 percent of average final salary formula that is actuarially reduced from age 53 to the age at disability.

A member of LEOFF 2 who leaves service as a result of a line-of-duty disability after January 1, 2001, is eligible to receive a retirement allowance of at least 10 percent of final average salary. This fixed 10 percent of pay duty disability benefit is not subject to federal income tax. In addition to the 10 percent of pay, the disabled member receives a 2 percent per year of service disability benefit for each year of service earned beyond five years. This service-related portion of the disability benefit is subject to federal income tax; however, since 2005 it has been exempt from actuarial reduction for early retirement. The 10 percent minimum benefit for line-of-duty disabilities applies only to members disabled prior to January 1, 2001.

In addition to disability benefits from the retirement system, members of LEOFF 2 (unlike members of LEOFF 1) are eligible for job-related disability, medical, and death benefits from the Workers' Compensation System administered by the Department of Labor and Industries.

Summary: Members of LEOFF 2 that were disabled in the line of duty before January 1, 2001, and are receiving a disability allowance are permitted to convert their disability allowance to include a fixed 10 percent of final average salary benefit, plus an actuarially reduced benefit for each year of service earned beyond five. The resulting disability allowance must not be greater than the member's original benefit unless the original benefit was less than 10 percent of final average salary. The 10 percent of pay fixed line of duty disability benefit is not subject to federal income tax.

Votes on Final Passage:

Senate	42	0
House	98	0

VETO MESSAGE ON SB 5542

April 16, 2009

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning, without my approval, Senate Bill 5542 entitled:

"AN ACT Relating to members of the law enforcement officers' and firefighters' retirement system plan 2 who were disabled in the line of duty before January 1, 2001."

This bill is identical to House Bill 1678, which I signed into law on April 15, 2009.

For this reason I have vetoed Senate Bill 5542 in its entirety.

Respectfully submitted,

Christine O. Gregoire
Governor

SB 5547
C 312 L 09

Concerning respite care.

By Senators Hargrove, Pflug, McAuliffe, Oemig, Marr, Fairley, Kauffman, Franklin, Parlette, Carrell, Haugen, Kilmer, Jarrett, Pridemore, Shin, Kohl-Welles, Murray, Regala and Keiser.

Senate Committee on Health & Long-Term Care
House Committee on Human Services

Background: The state's Division of Developmental Disabilities provides funding to certain eligible families for support services, enabling them to remain long-term caregivers for developmentally disabled family members. These services include respite care, therapies, adaptive equipment, counseling, and training. In January 2007 the Department of Social and Health Services released a report on family support recommending consolidation of services, a new assessment tool, and a different prioritizing system. Legislation enacted in 2008 created the Individual and Family Service Program which implements some of these recommendations.

Summary: Clarification is made that respite services provided under the Individual and Family Service Program are available to any family member who resides with and is the primary care provider to the person with developmental disabilities.

The Department of Social and Health Services must provide respite care services based on its assessment of a parent who provides personal care services to that parent's adult son or daughter, or a family member who replaces the parent as a caregiver.

Votes on Final Passage:

Senate	43	0	
House	97	0	(House amended)
Senate	48	0	(Senate concurred)

Effective: July 26, 2009

SSB 5551
C 182 L 09

Regarding recess periods for elementary school students.

By Senate Committee on Early Learning & K-12 Education (originally sponsored by Senators Franklin, Keiser, Kastama, Marr, Murray, McDermott, Shin, McAuliffe, Fairley, Kline, Pridemore, Oemig, Regala, Kauffman and Kohl-Welles).

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

Background: Current law establishes the total number of instructional hours that school districts must provide students. The instructional hours must cover the essential academic learning requirements and other subjects and activities that a school district deems appropriate. Instructional hours may include recess. However, school districts are not specifically required to provide a daily recess period.

The duties of the Superintendent of Public Instruction include promoting the adoption of school-based curricula and policies that provide quality, daily physical education for all students, and to encourage policies that provide all students with opportunities for physical activity outside of formal classes.

Current law requires that every public school student in voluntary all-day kindergarten or in first through eighth grades receive instruction in physical education and high school students must earn at least two physical education credits, unless excused. Additionally, there are goals for school districts to provide at least 150 minutes of quality physical education in grades first through eighth every week by 2010.

Summary: By December 1, 2009, the Office of the Superintendent of Public Instruction, with the statewide parent-teacher organization, must conduct and report to the Legislature the results of a survey of elementary schools regarding the availability and perceptions of the importance of recess. The survey must include specific questions provided but the survey is not limited to the provided questions.

Votes on Final Passage:

Senate	41	6
House	94	4

Effective: July 26, 2009

SB 5554
C 554 L 09

Regarding the job skills program.

By Senators Kilmer, Hobbs, Kastama, King, Jarrett, Marr, McAuliffe, Shin and Pridemore.

Senate Committee on Economic Development, Trade & Innovation
House Committee on Higher Education

Background: The Job Skills Program was created by the Legislature in 1983 to provide customized job training to meet the needs of employers by serving dislocated and disadvantaged individuals. It is directed towards programs of skills training or education separate from existing vocational education programs, and focuses on short-term specific training for new and growing industries in areas with a high concentration of disadvantaged people and unemployment, or places where new skills are required to avoid worker dislocation.

The Jobs Skills Program was appropriated $2.725 million for fiscal year 2009. It is administered by the State Board of Community and Technical Colleges (the state board) with the advice of the Workforce Training Customer Advisory Committee (the advisory committee). The state board is authorized to provide job skills grants to education institutions if such grants are consistent with 11 criteria including the use of alternative funding, effectiveness and efficiency of the proposed program, an inability to otherwise create the proposed program, use of collaboration with industry and labor, and agreements for mandatory information reporting.

Summary: The state board and the advisory committee are directed to give priority to applications from firms in strategic industry clusters that would (1) be coordinated with other cluster-based programs; (2) create industry-based credentialing; (3) create programs where benefits might extend to persons beyond the grant recipients; and (4) propose training that would lead to skills that are transferrable between different jobs, employers, or workplaces.

Jobs skills programs are defined as those that focus on promotion of the growth of industry clusters rather than those serving areas with new and growing industries.

Votes on Final Passage:

Senate	45	0	
House	96	1	(House amended)
Senate			(Senate refused to concur)
House	94	0	(House amended)
Senate	48	0	(Senate concurred)

Effective: July 26, 2009

SSB 5556
C 272 L 09

Concerning toll enforcement for infractions detected through the use of a photo enforcement system.

By Senate Committee on Transportation (originally sponsored by Senators Kilmer, Carrell and Kauffman).

Senate Committee on Transportation
House Committee on Transportation

Background: Drivers that do not pay a toll when required on the new Tacoma Narrows Bridge are subject to an infraction. The infraction is $40 plus an additional toll penalty of three time the cash toll for a standard passenger car during peak hours, currently $4. The court remits the toll penalty to the Washington State Department of Transportation (DOT) and it is deposited into the Tacoma Narrows Bridge Toll Account.

Any reduction in the total penalty imposed is made proportionally between the $40 infraction penalty and the toll penalty.

Summary: Any reduction in the Tacoma Narrows Bridge toll infraction must be made only to the infraction penalty. The toll penalty may not be reduced. If the driver is found to have not committed an infraction, the driver must pay the toll due at the time the photograph was taken, unless the toll has already been paid.

Additionally, DOT is to report to the Legislature by December 1, 2009, with recommendations for implementing a time period allowing for the payment of tolls on the Tacoma Narrows Bridge prior to the issuance of an infraction.

Votes on Final Passage:

Senate	42	3	
House	98	0	(House amended)
Senate	44	4	(Senate concurred)

Effective: July 26, 2009

E2SSB 5560
PARTIAL VETO
C 519 L 09

Regarding state agency climate leadership.

By Senate Committee on Ways & Means (originally sponsored by Senators Ranker, Swecker, Brown, Hargrove, Pridemore, Marr, Kilmer, Rockefeller, Kauffman, Haugen, Eide, Hobbs, Kohl-Welles, Jarrett, Fraser, Jacobsen and Murray).

Senate Committee on Government Operations & Elections
Senate Committee on Environment, Water & Energy
Senate Committee on Ways & Means
House Committee on Technology, Energy & Communications

House Committee on Ecology & Parks
House Committee on Ways & Means

Background: During the 2007 Legislative Session, the Legislature set statewide greenhouse gas (GHG) emissions reductions goals. With enactment of E2SHB 2815, providing a framework for reducing GHG emissions, the 2008 Legislature required the state to limit GHG emissions to achieve the goals. The requirements are to reduce overall GHG emissions in the state:

- by 2020 to 1990 levels;
- by 2035 to 25 percent below 1990 levels; and
- by 2050 to 50 percent below 1990 levels, or 70 percent below the state's expected GHG emissions that year.

A January 2005 Executive Order directed agencies, using fiscal year 2003 as the base year, to incorporate green building practices in all new construction projects and major remodels; achieve a 20 percent reduction in petroleum use by 2009; reduce the lifecycle impacts of paper products; and reduce energy purchases by 10 percent. Agencies were also required to annually report their total energy use to the Department of General Administration (GA).

Summary: All state agencies must meet the statewide GHG emission limits and reduce emissions as follows:

- by July 1, 2020, to 15 percent below 2005 levels;
- by 2035, to 37 percent below 2005 levels;
- by 2050, to the greater of 57.5 percent below 2005 levels or 70 percent below expected state government emissions that year.

Each state agency must report estimates of 2005 emissions to the Department of Ecology (Ecology) including 2009 emission levels and projected emissions through 2035. State agencies that are required to report emissions under the state Clean Air Act must provide emission estimates as required by the act. All other agencies must determine emission estimates using an emissions calculator developed and provided by Ecology. The agencies may use data such as building space occupied, electricity usage, motor vehicle fuel purchased, and miles driven to develop the estimates.

By June 30, 2011, each state agency must submit a strategy to Ecology to meet requirements for reducing GHG emissions. Each state agency must report to Ecology on its actions taken to reduce emissions and energy consumption. GA may report for agencies with fewer than 500 employees. By December 31, 2010, and every two years thereafter, Ecology must report to the Governor and appropriate legislative committees the total state agencies' GHG emissions and actions taken to meet emission reduction targets. Each agency must report actions taken to meet emission reduction targets under the strategy for the preceding biennium.

The Governor must designate a single point of accountability for all energy and climate change initiatives within state agencies. This position must be funded from current full-time equivalent allocations. All agencies, councils or work groups with energy or climate change initiatives must coordinate with this person.

The Office of Financial Management and GA must develop strategies to reduce fuel consumption and to phase in fuel economy standards for motor pools and leased vehicles to achieve an average fuel economy standard of 36 mpg by 2015 for passenger vehicles. For vehicles purchased after June 15, 2010, light duty passenger vehicles must have an average fuel economy of 40 mpg and light duty vans and sport utility vehicles must have an average fuel economy of 27 mpg. Emergency response vehicles, passenger vans with a gross vehicle weight of 8,500 lbs or more, vehicles purchased for off-payment use, and vehicles driven less than 2000 miles per year are exempt from the fuel consumption requirements.

When distributing capital funds state agencies must consider whether the entity receiving the funds has adopted policies to reduce GHG emissions; if the project is consistent with the state's limits on GHG emissions and goals to reduce vehicle miles travelled by 2050; and applicable federal emission reduction standards.

Ecology and the departments of Agriculture; Community, Trade and Economic Development; Fish and Wildlife; Natural Resources; and Transportation must develop an integrated climate change response strategy. Ecology is the central clearinghouse for relevant scientific and technical information about the impacts of climate change. Ecology must compile an initial climate change response strategy that summarizes the best known science on climate change impacts to the state; assesses Washington's vulnerability to the identified climate change impacts; prioritizes solutions; and identifies recommended funding mechanisms and technical and essential resources necessary for implementing solutions.

Votes on Final Passage:

Senate	33	14	
House	60	37	(House amended)
Senate	28	19	(Senate concurred)

Effective: July 26, 2009

Partial Veto Summary: The Governor vetoed the prohibition for state agencies to purchase small-scale powered equipment when electrical alternatives exist. The Governor also vetoed the requirement that GA must monitor energy performance for buildings with a completed energy audit and installed energy conservation measures within the past five years.

VETO MESSAGE ON E2SSB 5560

May 15, 2009

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:
I have approved, except for Sections 3, 4 and 7, Engrossed Second Substitute Senate Bill 5560 entitled:

"AN ACT Relating to state agency climate leadership."

Sections 3 and 4 require agencies to use battery operated or electric small-scale powered equipment that is not yet available for commercial or heavy duty use, although it is available for home or light duty use. I am directing the Department of General Administration to examine landscaping policies on the Capitol Campus and develop and implement a plan that will reduce the carbon footprint of landscaping within the 2009-11 biennium, including a pilot project to showcase methods for "green landscaping" of the Capitol Campus.

Section 7 addresses energy audits and high performance buildings. On May 8, 2009, I signed Engrossed Second Substitute Senate Bill 5854 which directs the Department of General Administration to conduct energy audits and assign energy benchmarks of state buildings. Engrossed Second Substitute Senate Bill 5854 provides a complete and thorough process to examine state buildings and, therefore, this additional provision is not needed at this time.

For these reasons, I have vetoed Sections 3, 4 and 7 of Engrossed Second Substitute Senate Bill 5560.

With the exception of Sections 3, 4 and 7, Engrossed Second Substitute Senate Bill 5560 is hereby approved.

Respectfully submitted,

Christine O. Gregoire
Governor

SSB 5561
C 313 L 09

Requiring the building code council to adopt rules that require certain buildings to be equipped with carbon monoxide alarms.

By Senate Committee on Labor, Commerce & Consumer Protection (originally sponsored by Senators Kline, Fairley and Kohl-Welles).

Senate Committee on Labor, Commerce & Consumer Protection
House Committee on Local Government & Housing

Background: Under the state fire protection statutes, all dwelling units occupied by persons other than the owner, or built after 1980, must be equipped with smoke detection devices. Installation of the device is the owner's responsibility, and the owner is required to ensure that a device is operational after a vacancy. The tenant is responsible for maintaining the smoke detection device, including the replacement of batteries. Noncompliance by a landlord or a tenant is punishable by a fine of up to $200.

Under the state Residential Landlord-Tenant Act, the landlord is required to maintain the premises in a manner fit for human habitation. Included in this is the duty to provide written notice: (1) that the unit has a smoke detection device; (2) that the tenant is responsible for maintaining the device in proper operating condition; and (3) that there are penalties for noncompliance.

Summary: By July 1, 2010, the State Building Code Council must adopt rules requiring that residential occupancies, subject to specified exceptions, be equipped with carbon monoxide alarms. These rules must require that:

- all newly constructed residential occupancies have carbon monoxide alarms beginning January 1, 2011; and
- all other residential occupancies have carbon monoxide alarms beginning January 1, 2013.

Owner-occupied single family residences legally occupied before the effective date of the act are exempt from rules adopted by the council requiring the installation of carbon monoxide alarms in residential occupancies. However, the seller of an owner-occupied single family residence must install carbon monoxide alarms in accordance with the requirements of the state building code prior to the buyer or any other person occupying the residence following such sale.

Residential tenants must maintain carbon monoxide alarms according to manufacturer specifications, including battery replacement.

Votes on Final Passage:

Senate	31	17	
House	95	3	(House amended)
Senate	38	10	(Senate concurred)

Effective: July 26, 2009

SB 5562
C 200 L 09

Concerning forestry operations.

By Senators Morton, Hargrove, Jacobsen, Sheldon, Holmquist, Schoesler, Shin and Stevens.

Senate Committee on Natural Resources, Ocean & Recreation
House Committee on Agriculture & Natural Resources

Background: Current Washington law provides that certain agricultural activities and forest practices that are conducted in a manner consistent with good practices and established prior to surrounding non-agricultural and non-forestry activities are protected against nuisance lawsuits. In a nuisance lawsuit, a plaintiff may sue a defendant property owner based on the claim that the defendant makes unreasonable use of his or her property to the detriment of the plaintiff's property.

Forest practices are defined in statute as meaning any activity conducted on or directly pertaining to forest land and relating to growing, harvesting, or processing timber, including but not limited to:

- road and trail construction;
- harvesting, final and intermediate;
- precommercial thinning;
- reforestation;
- fertilization;
- prevention and suppression of diseases and insects;
- salvage of trees; and
- brush control.

In 2005, in the case *Alpental Community Club (ACC) v. Seattle Gymnastics Society (SGS)*, the Washington Supreme Court concluded: "The legislature enacted RCW 7.48.305 to shield from nuisance liability certain agricultural and forestry activities that had frequently been the basis for nuisance litigation brought by plaintiffs who had 'come to the nuisance.'" Here, SGS sought immunity under the statute for damage arising from its 1995 clear-cutting of its upslope property. Because the evidence failed to establish that SGS had, prior to ACC's arrival in 1967, logged the property or engaged in any other 'forest practice' preparatory to the logging, SGS was not entitled to nuisance immunity under RCW 7.48.305.

Summary: As used in the context of nuisance actions only, the definition of "forest practice" is broadened to mean any activity conducted on or directly pertaining to forest land, including owning land where trees may passively grow until one of the stated activities (road and trail construction, final and immediate harvesting, precommercial thinning, reforestation, fertilization, prevention and suppression of diseases and insects, salvage of trees, and brush control) is deemed timely by the owner.

Votes on Final Passage:

Senate	47	0
House	98	0

Effective: July 26, 2009

SSB 5565

C 282 L 09

Regarding the use of certain solid fuel burning devices.

By Senate Committee on Environment, Water & Energy (originally sponsored by Senator Rockefeller).

Senate Committee on Environment, Water & Energy
House Committee on Environmental Health

Background: In Washington, air pollution laws are generally administered by regional air pollution control authorities (local authorities) or by the Department of Ecology (DOE) in areas where local authorities have not been established.

Pursuant to the federal Clean Air Act, the federal Environmental Protection Agency (EPA) sets limits for pollutants, including fine particulate matter. Wood smoke from fireplaces and wood or pellet stoves is a major source of fine particulate matter.

EPA may designate an area as a "nonattainment area" if it fails to attain air quality standards over a certain period. EPA's designation can trigger additional requirements for sources emitting pollutants, including fine particulate matter.

To meet EPA air quality standards, state law authorizes DOE or local authorities to prohibit use of "solid fuel burning devices" – any device for burning wood, coal, or any other nongaseous and nonliquid fuel, including wood stoves and fireplaces. Exceptions are provided for persons that do not have an adequate source of heat without burning wood, and for use of fireplaces and wood or pellet stoves meeting certain standards. Before imposing a use ban, DOE and a local authority must issue findings that an area has failed to make progress toward achieving air quality standards and that emissions from solid fuel burning devices are a contributing factor.

Summary: The procedure for DOE or a local authority to prohibit use of solid fuel burning devices in an area to meet federal air quality standards is clarified and revised. DOE or the local authority must first:

- seek input from local governments or the jurisdictional health department in the area; and
- make findings that (1) the area is designated as a nonattainment area for fine particular matter by the EPA, or is in maintenance status under that designation; (2) emissions from solid fuel burning devices are a major contributing factor; and (3) the area has an adequately funded program to assist low-income households to secure an adequate source of heat, which may include wood stoves.

Exceptions to a use ban are retained for persons that do not have an adequate source of heat without burning wood, and for use of fireplaces and wood or pellet stoves meeting certain standards.

Cities, counties, and health departments serving the area must cooperate with DOE or the local authority as DOE or the local authority implements a use ban. However, cooperation does not include enforcement of a use ban, responsibility for which resides solely with DOE or the local authority.

If a nonattainment area is within DOE's jurisdiction and the city or county within the area formally expresses concerns with DOE's findings supporting a use ban, DOE must publish, on its web site, its reasons for imposing a use ban that includes a response to the concerns.

Votes on Final Passage:

Senate	38	10	
House	66	31	(House amended)
Senate	30	18	(Senate concurred)

Effective: July 26, 2009

SSB 5566
C 289 L 09

Harmonizing excise tax statutes with the streamlined sales and use tax agreement in regards to direct sellers, telecommunications ancillary services, commercial parking taxes, and exemption certificates.

By Senate Committee on Ways & Means (originally sponsored by Senators Regala and Prentice; by request of Department of Revenue).

Senate Committee on Ways & Means
House Committee on Finance

Background: The Streamlined Sales and Use Tax Agreement (SSUTA) is a multi-state effort to simplify the system by which state and local sales and use taxes are administered. The agreement provides uniform definitions, administrative procedures, and technology standards for member states. Washington became a member state of the SSUTA effective July 1, 2008, with the implementation of Substitute Senate Bill 5089 which passed during the 2007 legislative session.

As part of the SSUTA legislation, Washington adopted the SSUTA's uniform general sourcing rules effective July 1, 2008. This required retail sales to be sourced to the location where the buyer receives the goods purchased. A portion of these rules dealt with how to source sales of direct mail, in which large volumes of mail are delivered to many addressees. Sellers of direct mail would be required to collect and remit local sales tax on these transactions based on the individual mailbox destinations of the direct mail if the seller is given jurisdictional information about the destinations that the seller could use for tax reporting purposes.

The SSUTA Governing Board has passed an amendment to the agreement by which states may elect to source intrastate direct mail transactions based on the seller's location, as Washington did before July 1, 2008.

The SSUTA's sourcing rules also govern the sourcing of ancillary services, which are services associated with or incidental to the provision of telecommunications services. Recently, the Compliance Review and Interpretations Committee of the SSUTA's Governing Board notified the Department of Revenue that it could not determine how this state sources ancillary services.

Summary: The sale of direct mail that is delivered or distributed from a location within this state to another location within this state is sourced, for sales tax purposes, to the address of the seller from which the direct mail was sent.

It is clarified that telecommunication ancillary services are sourced to the customer's place of primary use of the telecommunication services.

The 50 percent penalty for misuse of a resale certificate is extended to also apply to the misuse of the uniform Streamlined Sales Tax exemption certificate when it is used to claim a purchase for resale exemption.

Businesses with gross incomes below $500,000 in the previous year do not have to pay interest and penalties on inadvertent errors made in a good faith effort to comply with the sale tax sourcing rules. This prohibition is in effect until January 1, 2013.

Votes on Final Passage:

Senate	46	2	
House	98	0	(House amended)
Senate	42	4	(Senate concurred)

Effective: July 26, 2009

SB 5568
C 309 L 09

Enhancing tax collection tools for the department of revenue in order to promote fairness and administrative efficiency.

By Senators Tom, Rockefeller and Shin; by request of Department of Revenue.

Senate Committee on Ways & Means
House Committee on Finance

Background: The Department of Revenue (Department) currently has the authority to request information from third parties by way of an administrative summons. This is used to provide information in regards to an audit, a collection activity, or other type of investigation.

In a recent decision in *State v. Miles*, the Supreme Court ruled that certain information obtained through an administrative summons was not allowed in court. The case involved another agency, other than the Department, but could have impacts on the Department.

Summary: The Department may apply for a subpoena to a superior court or district court to obtain third party information if there is probable cause to believe that records in the possession of the third party will aid the Department in connection with its official duties relating to an audit, collection activity, or a civil or criminal investigation.

The court issuing the subpoena may require the Department to reimburse the third party for reasonable costs incurred in producing the records specified in the subpoena. The third party may not be held civilly liable for any harm resulting from compliance with the subpoena.

The Alcohol and Tobacco Tax and Trade Bureau of the United States Department of Treasury is added to the list of federal agencies that the Department may release otherwise confidential information to.

Votes on Final Passage:

Senate	43	3
House	62	36

Effective: July 26, 2009

SSB 5571
C 176 L 09

Requiring the use of electronic methods for taxes administered by the department of revenue, including filing of taxes, payment of taxes, assessment of taxes, and other taxpayer information.

By Senate Committee on Ways & Means (originally sponsored by Senators Oemig and Kohl-Welles; by request of Department of Revenue).

Senate Committee on Ways & Means
House Committee on Finance

Background: The Department of Revenue (DOR) collects the major state excise taxes, such as the retail sales tax and the business and occupation (B&O) tax. The general administrative provisions for the collection of excise taxes are provided in chapter 82.32 RCW, including payment schedules, payment types, assessments, and notice provisions. The payment schedule, in general, is for businesses to report and pay excise taxes on a monthly basis, although smaller businesses may report taxes quarterly or annually.

Taxpayers with an annual tax liability of more than $1,800,000 must make payment of their excise tax returns using electronic funds transfer (EFT). By rule, DOR requires taxpayers with annual tax liabilities above $240,000 to make payment of their excise tax returns using EFT. Taxpayers with annual tax liabilities below $240,000 may make payments using EFT, but are not required to do so.

Direct pay is a program that allows certain businesses to buy goods without payment of sales tax to the seller at the time of purchase. Businesses with a direct pay permit may pay the applicable sales and use taxes due directly to DOR. Businesses eligible to apply for direct pay permits are firms making purchases over $10,000,000 in one calendar year or are required to pay by EFT.

Summary: DOR must send all assessments, notices, or other information electronically, but may waive this requirement for any taxpayer for good cause, temporarily or permanently. For purposes of DOR notice to taxpayers, "good cause" is defined as DOR lacking necessary information to send information electronically; and also includes the inability of a person to receive information because the person does not have the necessary equipment or software, the equipment or software is not functioning, or the person does not have internet access.

Taxpayers who file tax returns on a monthly basis must file them and pay taxes electronically. DOR may waive this requirement for any taxpayer for cause, temporarily or permanently. For purposes of taxpayers filing tax returns and remitting payment electronically, "good cause" is defined as the inability of taxpayers to receive information because they do not have the necessary equipment or software, the equipment or software is not functioning, or they do not have internet access; and, taxpayers who do not have a bank account, credit card, or whose bank is unable to send or receive EFT. Taxpayers who file returns on a quarterly or annual basis may also file and pay electronically. Payment of the tax must be by EFT or other forms of electronic payment authorized by DOR, such as credit card or e-check.

DOR may implement these requirements in phases.

The refund provisions are amended to clarify that DOR must have the necessary account information to provide refunds to taxpayers by EFT.

Businesses with an annual tax liability over $240,000 are eligible to apply for a direct pay permit.

Votes on Final Passage:

Senate	48	0
House	98	0

Effective: July 26, 2009

SSB 5574
C 485 L 09

Protecting consumer data in motor vehicles.

By Senate Committee on Labor, Commerce & Consumer Protection (originally sponsored by Senators Kauffman, Kline, Tom, Hargrove, Oemig, Regala, Fairley, McAuliffe, McDermott, Fraser, Shin, Keiser and Kohl-Welles).

Senate Committee on Labor, Commerce & Consumer Protection
House Committee on Transportation

Background: Recording devices, such as event data recorders (EDRs), sensing and diagnostic modules, and automatic crash notification systems, are installed in many vehicles by the manufacturer. Depending on the device, it can record between five and 90 seconds of information about the vehicle before and after a collision occurs. The data recorded may include vehicle speed, steering performance, brake performance, the driver's seatbelt status, direction of the vehicle, and vehicle location. Some of these recording devices can also transmit information about a collision to a central communications system so that emergency help can be sent. This same collision information may also be sent to the vehicle's manufacturer for safety analysis purposes.

Recording devices may also be installed in vehicles pursuant to a subscription service. These subscription services provide the driver with directions, diagnostics, and emergency assistance. Subscription service devices may record and transmit data back to the service provider.

Washington law does not currently regulate these recording devices. On the federal level, the National Highway Traffic Safety Association (NHTSA) has issued regulations relating to EDRs which auto manufacturers must comply with beginning in 2012. Under the

regulations, auto manufacturers must disclose the presence of a EDR in the vehicle's owners manual with an explanation of the functions and capabilities of the EDR. The NHTSA regulations also specify uniform requirements for the types of data that an EDR must collect, including vehicle speed, brake performance, and seat belt status of driver and front passenger.

Summary: If an auto manufacturer has installed a recording device in a vehicle, it must disclose the device's presence and functions in the vehicle's owner's manual. Subscription services that include the use of a recording device must provide the same disclosures in the service agreement, and after-market products that include the use of a recording device must provide the same disclosures in the product manual. These disclosures may be accomplished through inserts into the manuals.

A recording device is defined as an electronic system in a vehicle that preserves or records data collected by sensors or provided by other systems in the vehicle. It includes event data recorders, sensing and diagnostic modules, electronic control modules, automatic crash notification systems, and geographic information systems.

Data on a recording device may not be accessed by anyone other than the owner of the vehicle except in the following five situations: (1) upon a court order for the data or pursuant to discovery; (2) when consent is given by the owner or someone who would reasonably be assumed to have the consent of the owner; (3) for research to improve vehicle safety as long as the owner and the vehicle remain anonymous; (4) to respond to a medical emergency; and (5) when the data is being used to fulfill a subscription services agreement. The accessing of recording device data by anyone other than the owner except in one of the situations described above is a misdemeanor, as is the sale of any data from a recording device to a third party without the explicit permission of the owner.

Manufacturers of motor vehicles that are sold or leased in the state must ensure that tools for accessing and retrieving information stored in a recording device are commercially available.

Violations of the act are per se violations of the Consumer Protection Act.

Votes on Final Passage:

Senate	36	11	
House	97	0	(House amended)
Senate			(Senate refused to concur)
House			(House insisted on position)

Conference Committee

Senate	45	2
House	96	0

Effective: July 26, 2009
July 1, 2010 (Sections 1 - 4 and 6)

SB 5580

C 263 L 09

Concerning school impact fees.

By Senators Pridemore, Brandland, Oemig, Fraser, Shin, Ranker, Rockefeller, Kline, Hargrove, Kauffman, Jarrett, Kohl-Welles, Murray, Marr, McDermott and Tom.

Senate Committee on Ways & Means
House Committee on Local Government & Housing

Background: Jurisdictions that plan under the Growth Management Act (GMA) may impose impact fees on development activity as part of the financing of public facilities needed to serve new growth and development. This financing must provide a balance between impact fees and other sources of public funds and cannot rely solely on impact fees. Additionally, impact fees:

- may only be imposed for system improvements, a term defined in statute, that are reasonably related to the new development;
- may not exceed a proportionate share of the costs of system improvements; and
- must be used for system improvements that will reasonably benefit the new development.

Impact fees may be collected and spent only for qualifying public facilities that are included within a capital facilities plan element of a comprehensive plan adopted under the GMA. "Public facilities," within the context of impact fee statutes, are the following capital facilities that are owned or operated by government entities:

- public streets and roads;
- publicly-owned parks, open space, and recreation facilities;
- school facilities; and
- fire protection facilities in jurisdictions that are not part of a fire district.

Impact fees must be expended or encumbered within six years of receipt, unless there exists an extraordinary or compelling reason for fees to be held longer than six years. Extraordinary or compelling reasons must be identified in written findings by the governing body of the county, city, or town.

Summary: Expenditure or encumbrance provisions for certain impact fees are modified. School impact fees must be expended or encumbered within ten years of receipt, rather than six years, unless there exists an extraordinary or compelling reason for fees to be held longer than ten years. Extraordinary or compelling reasons must be identified in written findings by the governing body of the county, city, or town.

The Office of the Superintendent of Public Instruction must develop criteria for extending the use of school impact fees from six to ten years. The extension also requires an evaluation of each respective school board on the appropriateness of the extension.

Votes on Final Passage:

Senate	31	14
House	59	38

Effective: July 26, 2009

ESB 5581
C 142 L 09

Modifying provisions relating to sunscreening devices.

By Senators Delvin, Marr and Shin; by request of Washington State Patrol.

Senate Committee on Transportation
House Committee on Transportation

Background: Current laws regarding the sunscreening materials that may be applied to the windows of motor vehicles reference federal standards, as well as standards established by the Washington State Patrol (WSP). References to disparate standards have resulted in confusion among motorists, the window tinting industry, and law enforcement officers.

Summary: References to sunscreening standards established by the WSP are changed to refer to federal standards.

All vehicles sold must be equipped with safety glazing material that meets federal requirements.

Permissible net film sunscreening may have a maximum light reflectance of 35 percent, and a minimum light transmission of 24 percent. Definitions are added for "light transmission," "net film screening," and "reflectance."

Certificates or decals that are required by law are permitted on vehicles so long as neither their size, nor placement on the vehicle, impair the driver's ability to safely operate the motor vehicle. Recreational products, such as toys or signs, may be applied to windows behind the driver provided they do not interfere with the driver's ability to see other vehicles, people, or objects.

A "collector vehicle" is defined as any vehicle more than 30 years old, and is added to the list of vehicles that may have window tinting that is darker than otherwise allowable applied to the windows behind the driver.

Votes on Final Passage:

Senate	48	0
House	98	0

Effective: July 26, 2009

ESSB 5583
C 283 L 09

Improving the effectiveness of water bank authorization and exchange provisions.

By Senate Committee on Environment, Water & Energy (originally sponsored by Senators Marr, Honeyford, Rockefeller, Morton, Fraser, Sheldon and Shin; by request of Department of Ecology).

Senate Committee on Environment, Water & Energy
House Committee on Agriculture & Natural Resources

Background: The state may acquire a trust water right by donation, purchase, lease, or means other than condemnation. Trust water rights are placed in the state's Trust Water Rights Program and managed by the Department of Ecology (Ecology). Two trust water rights systems, one for the Yakima River basin and the other for the rest of the state, are established in state law.

Trust water rights may be held or authorized for use for instream flows, irrigation, municipal, or other beneficial uses consistent with applicable regional plans. Trust water rights also may be used to resolve critical water supply problems. Trust water rights acquired in areas with an approved watershed plan must be consistent with any plan provisions regarding acquisition.

Ecology may use the Trust Water Rights Program in the Yakima River basin for water banking purposes. Water banking may be used for mitigation, future water supply needs, or any statutory beneficial uses consistent with terms established by the transferor. The water bank must not cause detriment or injury to existing rights, issue temporary rights for new potable uses, administer federal project water rights, or allow carryover of stored water from one water year to another. Water banking may also be used to document transfers of water rights to and from the Trust Water Rights Program and to provide a source of water rights that Ecology can make available to third parties on a temporary or permanent basis for any allowed beneficial use.

Summary: The Trust Water Rights Program may be used by Ecology for water banking purposes statewide. Ecology must exercise its authority in a manner that protects trust water rights. Ecology may acquire both surface and groundwater rights for the Trust Water Rights Program. Water Banking may be used to allow carryover of stored water in the Yakima basin, from one water year to the next, so long as it does not negatively impact total water supply available. Ecology may adopt rules as necessary to implement the program.

Prior to initiating use of the Trust Water Rights Program for water banking purposes for the first time in each water resource inventory area, Ecology must provide electronic notice to affected governments and affected federally-recognized tribal governments. "Local government" is

defined as a city, town, public utility district, irrigation district, public port, county, sewer district, or water district.

Ecology must issue a water right certificate for trust water that indicates the quantity of water transferred to trust, the reach or reaches of the stream or body of public groundwater, and the use or uses to which it may be applied.

If nonuse occurred in the five years preceding the donation or lease, Ecology must calculate the amount of water to be acquired by looking at the extent to which the right was exercised during the most recent five-year period preceding the date where sufficient cause for nonuse was established. In addition, when calculating annual consumptive quantity of a trust water right, Ecology must look to the most recent five-year period of continuous beneficial use prior to transfer into the trust water rights program. For water rights put into the Trust Water Rights Program that are exempt from relinquishment because the water is claimed for power development purposes or municipal water supply purposes, Ecology will look at the amount of water eligible to be acquired based on historical beneficial use.

Votes on Final Passage:

Senate	46	1	
House	93	0	(House amended)
Senate	46	1	(Senate concurred)

Effective: July 26, 2009

SB 5587

C 211 L 09

Authorizing existing city and county real estate excise taxes to be expended on municipally owned heavy rail short lines.

By Senator Pridemore.

Senate Committee on Government Operations & Elections
House Committee on Local Government & Housing
House Committee on Finance

Background: The legislative authority of any county or city is required to identify in their adopted budget the capital projects funded in whole or in part from the proceeds of the excise tax on real estate sales and must indicate that such tax is intended to be in addition to other funds that may be reasonably available for such capital projects.

The legislative authority of any county or city required to plan under the Growth Management Act (GMA) may impose an additional excise tax on each sale of real property in the unincorporated areas of the county for the county tax and in the corporate limits of the city for the city tax at a rate not to exceed one quarter of one percent of the selling price. Any county choosing to plan under the GMA and any city within such a county may only adopt an ordinance imposing the excise tax if the ordinance is first authorized by a proposition approved by a majority of the voters of the taxing district.

Revenues generated from the additional excise tax must be used by the counties and cities solely for financing capital projects specified in the capital facilities plan element of a comprehensive plan. Capital projects are defined as those public works projects of a local government for planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation or improvement of streets, roads, highways, sidewalks, street and road lighting systems, traffic signals, bridges, domestic water systems, storm and sanitary sewer systems, and planning, construction, reconstruction, repair, rehabilitation, or improvement of parks.

Summary: A city or county may use revenue generated by an additional excise tax on each sale of real property at a rate not to exceed one quarter of one percent of the selling price for municipally-owned heavy short line railroads only if the revenue was collected prior to December 31, 2008, and may not use more than 25 percent of the total revenue generated for municipally-owned heavy short line railroads.

The definition of capital project is expanded to include municipally-owned heavy rail short line railroads.

Short line railroads are defined as class III railroads as defined by the United States surface transportation board.

The legislation expires June 30, 2012.

Votes on Final Passage:

Senate	36	9
House	93	5

Effective: July 26, 2009

ESSB 5595

C 12 L 09

Addressing the termination, cancellation, or nonrenewal of franchises between new motor vehicle dealers and manufacturers.

By Senate Committee on Labor, Commerce & Consumer Protection (originally sponsored by Senators Keiser, King, Marr, Honeyford and Kohl-Welles).

Senate Committee on Labor, Commerce & Consumer Protection
House Committee on Commerce & Labor

Background: Upon the termination, cancellation, or nonrenewal of a franchise by a manufacturer, the manufacturer is to pay a number of costs associated with the dealer including:

- dealer cost of new unsold vehicles in the dealer's inventory, acquired from the manufacturer, or another new dealer of the same line make, within the previous 12 months;
- dealer costs of unsold supplies, parts, and accessories;

- dealers costs of all unsold inventory, including vehicles, parts, or accessories, if the purchase was required by the manufacturer;
- the fair market value of signs, if recommended by the manufacturer;
- the fair market value of all equipment, furnishings, and special tools acquired from the manufacturer; and
- the cost of transporting, handling, and packing all such goods.

If a franchise agreement provides for payment to the dealer in excess of what is provided for in statute, the provisions of the franchise agreement control.

The manufacturer is to pay any money owed to the dealer within 90 days after the tender of the property, if the dealer has clear title to the property and is in a position to convey the title to the manufacturer.

Summary: The costs that manufacturers are to pay to dealers is broadened to include the termination, cancellation, or nonrenewal of a franchise by either party to the agreement.

A manufacturer only has a responsibility to repurchase vehicles that were purchased as part of the ordinary business operations of a dealer and is not required to repurchase vehicles that were dumped on a dealer terminating a franchise by other dealers immediately prior to the termination.

A manufacturer is not required to buy back inventory that is sold to a purchasing dealer as part of the sale of a franchise. The manufacturer can enter into an agreement that allows the purchasing dealer to acquire all or part of the inventory from the manufacturer that would otherwise be repurchased from the selling dealer. The manufacturer is under no obligation to repurchase inventory that was acquired by the purchasing dealer.

The manufacturer is to pay any money owed to the dealer within 90 days after the termination, cancellation, or nonrenewal of the franchise, if the dealer has clear title to the property or can provide clear title to the property upon payment by the manufacturer.

These provisions do not apply to motor homes. In the case of motor homes, a manufacturer only has a duty to pay certain costs to a dealer if the manufacturer initiates the termination, cancellation, or nonrenewal of a franchise.

Votes on Final Passage:

Senate	46	0
House	97	0

Effective: March 25, 2009

SB 5599

C 264 L 09

Approving the entry of Washington into the agreement among the states to elect the president by national popular vote.

By Senators McDermott, Oemig, Kohl-Welles, Pridemore, Marr, Brown, Tom, Kline, McAuliffe, Regala and Shin.

Senate Committee on Government Operations & Elections
House Committee on State Government & Tribal Affairs

Background: Candidates for President and Vice-President of the United States are not elected by direct popular vote. The candidates are elected by the electoral college, whose delegates are chosen by the states. Article II, Section 1 of the United States Constitution yields to states the absolute and exclusive authority to determine the manner of awarding their electoral votes. Each state has the same number of presidential electors as it has United States Representatives and Senators combined. In Washington, the Presidential candidate who receives the most votes statewide during the popular vote wins all the electoral votes in the state.

Summary: The awarding of Washington State electoral votes will be to the presidential candidate who receives the most popular votes in the country as a whole. This act only goes into effect when states, which possess a majority of the electoral votes in the country, have entered into the same agreement.

Votes on Final Passage:

Senate	28	21
House	52	42

Effective: July 26, 2009

ESSB 5601

C 301 L 09

Regulating speech-language pathology assistants.

By Senate Committee on Health & Long-Term Care (originally sponsored by Senator Franklin).

Senate Committee on Health & Long-Term Care
House Committee on Health Care & Wellness
House Committee on Health & Human Services Appropriations

Background: Speech-language pathologists (SLP) study, diagnose and treat disorders of speech, language, and swallowing. These disorders can be congenital, the result of traumatic brain injury, or stroke. A speech language pathology assistant can be used to support the SLP's work in group settings. SLPs are health care providers and are increasing in demand in school settings. SLPs are currently licensed in Washington State. Minimum requirements for

licensure include a master's degree or doctorate from a board-approved institution, supervised clinical experience and post-graduate professional work experience.

A SLP license is not required for the practice of SLP in school settings. However, they must be certified as Educational Staff Associates by the Office of Superintendent of Public Instruction. SLP assistants are not currently regulated under state law. SLP assistants are used extensively in schools as paraeducators, but are not currently supervised by SLPs.

In 2007 House bill 2372 was referred to the Department Health (DOH) for a sunrise review of a proposal to license speech language pathologist assistants. This sunrise review is not yet completed but is available in draft form. Although the sunrise proposal sought licensure for SLP assistants, DOH concluded that certification could offer an alternative credentialing standard that meets the sunrise criteria. By providing for certification of SLP assistants, DOH can authorize those who meet the qualifications to use "certified" in their title. It would not be unlawful to practice without certification. Demand in schools for SLP is significant and increasing. Use of SLP assistants would expand the available services.

Summary: The designation of certified SLP assistant can only be used by a certified SLP assistant. Minimum qualifications include an associate degree or a bachelor degree or certificate of proficiency from a speech-language pathology assistant program approved by the Board of Hearing and Speech (BHS). As an alternative, within one year of this act's enactment, requirements for certification as an SLP assistant may be met by submitting a competency checklist to BHS and by being employed under the supervision of an SLP for a minimum of 600 hours within the last three years.

The Secretary of DOH has authority to discipline SLP assistants. An SLP assistant may only perform tasks delegated by an SLP and must follow the individualized education program and treatment plan.

BHS is given authority to develop rules which outline tasks permitted under the direct and indirect supervision of an SLP. SLP assistants are not permitted to diagnose, evaluate, or provide clinical interpretation.

The Superintendent of Public Instruction is required to report to DOH (1) complaints and disciplinary actions taken against certified educational staff associates providing SLP services in schools; and (2) complaints received against certified SLP assistants.

Votes on Final Passage:

Senate	34	14	
House	64	32	(House amended)
Senate	34	14	(Senate concurred)

Effective: July 26, 2009

SSB 5608

PARTIAL VETO

C 302 L 09

Concerning genetic counselors.

By Senate Committee on Health & Long-Term Care (originally sponsored by Senators Franklin, Pflug, Fairley, Regala, Marr and Kohl-Welles).

Senate Committee on Health & Long-Term Care
House Committee on Health Care & Wellness

Background: Genetic counselors provide information on medical genetics and counsel individuals and families on genetic disorders. Genetic counselors work with other health care professionals to inform and support people who have an inherited risk for genetic disorders, people diagnosed with genetic diseases, and the families of children born with birth defects. Washington does not currently credential genetic counselors.

The Washington State House of Representatives considered a proposal to license genetic counselors as a new health profession during the 2005 legislative session. The Legislature referred the bill to the Department of Health (the department) to conduct a Sunrise Review. After conducting public hearings, independent research, and requesting information from other states, the department reported its findings in a report to the 2006 Legislature.

The department report recommended that the profession not be regulated. In making its findings, the department had to consider specific standards. The department found that unregulated practice did not clearly harm or endanger the public. Those who wish to engage the services of a qualified genetic counselor are able to do so, and the public can be effectively protected by other means. The department report noted concerns that genetic counselors may be engaging in the practice of medicine without a license, and that the licensure fees which would have to be assessed would be prohibitive. At the time of the report in 2006 there were approximately 50 genetic counselors in Washington State.

Summary: The Secretary of the department is authorized to establish all licensing and examination requirements for the practice of genetic counseling. Genetic counseling is defined as including estimating the likelihood of a birth defect; helping individuals, families and health care providers understand available options; and ordering testing. The department is required to issue a license to applicants who meet specific education requirements, complete required clinical experience, and complete an approved examination. Those who do not meet these requirements cannot be licensed as a genetic counselor and cannot represent themselves as a licensed genetic counselor or a genetic counselor.

Genetic counselors are added to the list of health professionals subject to the Uniform Disciplinary Act.

Votes on Final Passage:

Senate	38	7	
House	66	32	(House amended)
Senate	41	8	(Senate concurred)

Effective: August 1, 2010

Partial Veto Summary: Reference to the formation of an advisory committee on genetic counseling is eliminated. The department is not required to seek the advice of the advisory committee regarding rules administration, genetic counseling practice, unprofessional conduct, consumer complaints, and continuing competency.

VETO MESSAGE ON SSB 5608

April 30, 2009

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I am returning, without my approval as to Section 5, Substitute Senate Bill 5608 entitled:

"AN ACT Relating to genetic counselors; amending RCW 18.130.040."

Section 5 provides for an advisory committee on genetic counseling to be established under the Secretary of Health. In difficult economic times, we need fewer not more advisory committees, boards and commissions absorbing limited funding and staff time. For this reason, I have vetoed Section 5 of Substitute Senate Bill 5608.

With the exception of Section 5, Substitute Senate Bill 5608 is approved.

Respectfully submitted,

Christine O. Gregoire
Governor

SSB 5610
C 276 L 09

Authorizing the release of driving record abstracts for employment purposes.

By Senate Committee on Transportation (originally sponsored by Senators Haugen, Delvin, Sheldon, Berkey, Jarrett and Shin).

Senate Committee on Transportation
House Committee on Judiciary
House Committee on Transportation

Background: The Department of Licensing (DOL) maintains a case record on every person licensed to operate a motor vehicle in Washington. These case records, or abstracts, contain information relating to a person's driving record. Current law restricts the distribution of abstracts to certain persons and uses.

Summary: The list of those who may receive abstracts is expanded to include an employer or prospective employer or volunteer organization, or an agent acting on their behalf, for employment and risk management purposes in those instances where driving is a condition of the employment of the individual named in the abstract or will be engaged in by the named individual at the direction of the employer or organization.

Courts are allowed to provide a copy of a person's abstract to them if the person has a pending case before the court for a suspended license violation or an open infraction or criminal case that has resulted in the suspension of a person's driver's license.

DOL is required to permanently retain records of convictions for driving under the influence of intoxicating liquor or drugs.

Votes on Final Passage:

Senate	33	15	
House	97	0	(House amended)
Senate	42	3	(Senate concurred)

Effective: July 26, 2009

SSB 5613
C 196 L 09

Authorizing the department of labor and industries to issue stop work orders for violations of certain workers' compensation provisions.

By Senate Committee on Labor, Commerce & Consumer Protection (originally sponsored by Senators Kohl-Welles, Keiser, Franklin, Kline, McDermott, Tom and Fraser).

Senate Committee on Labor, Commerce & Consumer Protection
House Committee on Commerce & Labor

Background: Employers in the state must secure payment of industrial insurance by either insuring with the State Fund or qualifying as a self-insurer. An employer who fails to secure industrial insurance is liable for a penalty of $500 or a sum double the amount of premiums incurred prior to securing payment, whichever is greater. Criminal penalties may also apply. Employers who insure with the State Fund must provide a true and accurate payroll to the Department of Labor and Industries (Department) and pay the appropriate premium. An employer who knowingly misrepresents the amount of payroll or employee hours is liable for up to ten times the amount of the difference in premiums paid and what the employer should have paid, as well as the reasonable expenses of audit and collection.

General and specialty contractors must register with the Department, and a contractor who fails to register is subject to an order issued by the Director of the Department to restrain further construction work at the job site by the contractor. General and specialty electrical contractors must obtain a license from the Department.

Summary: If the Director of the Department of Labor and Industries (Director) determines after an investigation that a general or specialty contractor or a general or specialty electrical contractor has failed to secure payment on in-

dustrial insurance compensation by paying into the State Fund or qualifying as a self-insurer, the Director may issue a stop-work order against the employer. A stop-work order may be served on a worksite by posting a copy in a conspicuous location, in which case the order is effective as to the employer's operations on that worksite. A stop-work order may be served on the employer, in which case the order is effective as to all employer worksites for which the employer is not in compliance. Business operations of the employer must cease immediately upon service, consistent with the stop-work order. An employer who violates a stop-work order is subject to a $1,000 penalty for each day not in compliance.

A stop-work order remains in effect until the Director: (1) releases the order upon finding that the employer has come into compliance and paid any premiums, penalties, and interest owing under industrial insurance; or (2) issues an order of conditional release. The Director may issue a conditional release order if the employer has complied with the coverage requirements and has agreed to pay penalties through a penalty schedule. If the terms of the payment schedule are not met, the stop-work order may be reinstated.

An employer against whom a stop-work order has been issued may request reconsideration from the Department or appeal to the Board of Industrial Insurance Appeals (Board) within ten days of receiving the stop-work order. If the Department conducts a reconsideration, it must be concluded within ten days of receiving the request for consideration. The stop-work order remains in effect during the period of reconsideration or appeal, unless the employer furnishes to the Department a cash deposit or bond in the amount of $5,000 or $1,000 per covered worker identified. If the stop-work order is upheld, the cash deposit of bond will be seized and applied to the premium, penalty, and interest balance of that employer. In an appeal before the Board, the appellant has the burden of proceeding with the evidence to establish a prima facie case. The Administrative Procedure Act applies to judicial review, and the Department has the same right of review as do employers.

Stop-work orders and penalties are effective against any successor corporation or business entity that has one or more of the same principals or officers as the employer under the stop-work order and which is engaged in the same or equivalent trade or activity.

The Department may adopt rules to carry out the provisions.

Votes on Final Passage:

Senate	31	17
House	60	38

Effective: July 26, 2009

SSB 5616

C 296 L 09

Connecting business expansion and recruitment to customized training.

By Senate Committee on Economic Development, Trade & Innovation (originally sponsored by Senators Shin, Kastama and Kilmer).

Senate Committee on Economic Development, Trade & Innovation
House Committee on Higher Education
House Committee on Education Appropriations

Background: The Washington Customized Employment Workforce Training Program (the program) was created in 2006 for employers locating or expanding in the state. The State Board for Community and Technical Colleges (SBCTC) administers the program. Training allowances are awarded to employers who have entered into training agreements with colleges in the state. Preference in granting training allowances is given to employers with fewer than 50 employees.

The Employment Training Finance Account (the account) was funded for SBCTC to provide training allowances. At the completion of training, employers are required to pay one-quarter of the cost of the training into the account. The additional three-quarters of the cost are to be paid into the account over the following 18 months. A business and occupation tax credit is provided to employers for half of the amount that they pay into the account for employee training.

Employers are expected to increase their employment in the state by an amount equal to at least 75 percent of the trainees in their training program. If this goal is not met, the employer is expected to make additional payments to the account.

The program expires on July 1, 2012.

Summary: During 2009 and 2010, employers participating in the program may delay payments to the account. The expectation that participants will increase employment in the state by an amount equal to at least 75 percent of the trainees is changed to a requirement that participants must make good faith efforts to hire from trainees in the participant's training program. Colleges must make good faith efforts to use trainers preferred by participants.

The SBCTC must ensure a seamless process toward participation in the program for employers that have qualified for the Job Skills Program but are not able to participate because those funds have been committed.

Up to $75,000 per year from the account may be used by SBCTC for training, marketing, and facilitation services to increase the use of the program.

Votes on Final Passage:

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

Effective: July 26, 2009

SB 5629

C 303 L 09

Concerning pregnancy prevention programs.

By Senators Kohl-Welles, Keiser, Fairley, Kline, Marr, Prentice, Franklin, Murray, King and Brown.

Senate Committee on Health & Long-Term Care
House Committee on Health Care & Wellness

Background: In 2007 Washington State passed legislation requiring every public school that offers sexual health education to assure that it is medically and scientifically accurate; age appropriate; appropriate for students regardless of gender, race, disability status, or sexual orientation; and that it includes information about abstinence and other methods of preventing unintended pregnancy and sexually transmitted diseases. The law further requires that abstinence may not be taught to the exclusion of other materials, including on contraceptives and disease prevention.

Since 1996 the federal government has offered states funding for abstinence education programs for adolescents. In recent years, the federal rules included an eight-part definition of what could qualify as abstinence education. Current state law requires the Department of Health to seek federal funding for these programs; however, following the enactment of our law mandating medically accurate and scientifically accurate education, it was the department's position that meeting federal guidelines for abstinence education funding was in conflict with new state law and policy.

Summary: The state is not required to maximize federal funding for abstinence programs and to contract with entities qualified to provide this education.

State agencies may apply for sexual health education funding for programs that are medically and scientifically accurate, including but not limited to programs on abstinence, prevention of sexually transmitted diseases, and the prevention of unintended pregnancies. These programs must be evidence-based, use state funds cost-effectively, maximize use of federal funds, and be consistent with the state's health youth act.

The state has a goal of reducing the rate of abortions.

Votes on Final Passage:

Senate	33	14	
House	67	31	(House amended)
Senate	33	15	(Senate concurred)

Effective: July 26, 2009

SB 5642

C 262 L 09

Designating state route number 164 as a highway of statewide significance.

By Senators Kauffman, Berkey and Sheldon.

Senate Committee on Transportation
House Committee on Transportation

Background: SR 164 is a 15-mile highway that runs from Enumclaw to Auburn. It functions as a rural and commuter highway; a regional highway for southeast King County; a main street for Auburn, Enumclaw, and the Muckleshoot Indian Tribe, and a main access for Enumclaw Plateau residents.

Summary: SR 164 is designated a highway of statewide significance.

Votes on Final Passage:

Senate	47	0
House	95	1

Effective: July 26, 2009

E2SSB 5649

PARTIAL VETO

C 379 L 09

Regarding energy efficiency in buildings.

By Senate Committee on Ways & Means (originally sponsored by Senators Rockefeller, Hobbs, Pridemore, Kohl-Welles, Keiser, Fraser, Sheldon, Shin, McAuliffe, Kline and Oemig).

Senate Committee on Environment, Water & Energy
Senate Committee on Ways & Means
House Committee on Technology, Energy & Communications
House Committee on Ways & Means

Background: In the United States, buildings account for 40 percent of total energy consumption and 70 percent of electricity consumption. The benefits of more efficient use of energy include reduced investments in energy infrastructure, lower fossil fuel dependency, improved consumer welfare, and reduced greenhouse gas emissions. Energy efficiency can be achieved by weatherizing homes and buildings. Increased energy efficiency can reduce heating bills on average by up to one-third, sometimes more. Energy efficient homes and commercial buildings have lower energy bills, and may realize other benefits such as reduction in water consumption and therefore lower water and sewer fees and an increase in property value. In addition, implementing avenues to improve home and building energy efficiency can provide jobs for weatherization and related home services.

Government programs may assist low-income households with home weatherization. The Low-Income Home

Energy Assistance Program is administered through the Department of Community, Trade and Economic Development (CTED). CTED contracts with 26 community action agencies to provide resources for weatherization projects. In the last fiscal year, the program served 2771 households at an average cost of $6,400. CTED estimates that there are approximately 300,000 low-income households currently in need. Since 1990, the weatherization program has served over 95,000 households.

In addition, the federal government in its economic stimulus package is proposing to weatherize one million homes per year for the next five years nationwide to improve energy efficiency, reduce the need for foreign oil, create living wage jobs, and stimulate the economy.

Summary: The Washington State University (WSU) is authorized to implement grants for pilot programs providing community-wide residential and commercial energy efficiency upgrades. WSU must coordinate and collaborate with CTED in the design, administration, and implementation elements of the pilot programs. There must be at least three pilot programs providing assistance for energy audits and energy efficiency related improvements to structures owned by or used for residential, commercial, or non-profit purposes.

Pilot programs receiving funding must provide a report to WSU of compliance by each sponsor receiving a grant on performance metrics such as monetary and energy savings achieved; savings-to-investment ratio achieved; wage levels of jobs created; use of pre-apprentice and apprenticeship programs; and efficiency and speed of delivery of services. WSU must review the accuracy of the reports and provide a progress report on all grant pilot programs to appropriate legislative committees by December 1 of each year.

WSU, in consultation with the Department of Agriculture, must form an interdisciplinary team of agricultural and energy extension agencies to help agricultural producers assess opportunities to increase energy efficiency in all aspects of farm energy uses.

CTED must establish a process to award grants to financial institutions to create credit enhancements for energy efficiency services and projects. CTED must give priority, when awarding grants, to financial institutions that provide consumer financial products or services and direct out-reach for energy efficiency. CTED may require any financial institution or other entity receiving funding for credit enhancements to provide information and records relating to loan loss reserves and other financing mechanisms for leveraging state and federal dollars.

CTED may create an appliance efficiency rebate program with funds available from the appliance efficiency rebate program authorized under the Federal Energy Policy Act.

Where federal funding is available for increasing and improving energy efficiency in low-income housing, it must be used to conduct energy audits and implementing energy efficiency measures for housing properties in the Housing Trust Fund Real Estate portfolio. CTED is required to review and prioritize all housing properties in the Housing Trust Fund Real Estate Portfolio to achieve the greatest energy savings, promote health and safety improvements, and use environmentally friendly sustainable practices and technology. Energy audits of 25 percent of properties over 25 years old must be completed by June 30, 2011. CTED must give priority to fund implementation of energy efficiency improvements identified in energy audits.

Local municipalities receiving federal stimulus funding through the Energy Efficiency and Conservation Block Grant program or State Energy Program may use these funds to establish loan loss reserves or risk reduction mechanisms to leverage financing for energy efficiency projects. CTED must approve all financing mechanisms offered by local municipalities, which must meet all applicable state and federal regulations.

State bond authorities may use allocated federal energy efficiency funding for designing energy efficiency finance loan products and for developing and operating energy efficiency finance programs. CTED may allocate federal funding to the state bond authorities and may direct and administer funding for outreach, marketing, and delivery of energy services to support the bond authorities' programs.

CTED must allocate energy matchmaker funds for low-income weatherization proposals that identify and correct, to the extent possible, health and safety problems including asbestos, lead, and mold hazards; create family-wage jobs that may lead to careers in construction or energy efficiency sectors; and use, to the extent feasible, environmentally friendly sustainable technologies, practices, and designs. Priority must be given to weatherizing low-income households with incomes at or below 125 percent of the federal poverty level. CTED must require sponsors to hire individuals trained from workforce training and apprentice programs, if available, pay prevailing wages, hire from the community in which the project is located, and create employment opportunities for veterans, National Guard members, and low-income and disadvantage populations. The definition of "weatherization" is revised to "sustainable residential weatherization" to allow funding for energy and resource conservation and energy efficiency improvements, repair, and health and safety investments.

The Governor must designate an existing position within state government as the single point of accountability for all energy and climate change initiatives within state agencies. All state agencies, councils, or work groups with energy or climate change initiatives must coordinate with the person designated for this position.

Votes on Final Passage:

Senate	34	14	
House	63	34	(House amended)
Senate	30	17	(Senate concurred)

Effective: May 7, 2009

Partial Veto Summary: The Governor vetoed the provision requiring a single point of accountability for all energy and climate change initiatives within state agencies.

VETO MESSAGE ON E2SSB 5649

May 7, 2009

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I have approved, except for Section 403, Engrossed Second Substitute Senate Bill 5649 entitled:

"AN ACT Relating to achieving greater energy efficiency in buildings."

Section 403 of the bill requires the Governor to designate a single point of accountability for all energy and climate change initiatives within state agencies. This language duplicates the requirements contained in Substitute Senate Bill 5921, Section 4(1). I signed Substitute Senate Bill 5921 on May 4, 2009. As a result, this provision is not needed and I have vetoed Section 403 of Engrossed Second Substitute Senate Bill 5649.

Some stakeholders have expressed concerns regarding Section 202 of Engrossed Second Substitute Senate Bill 5649. Section 202 of the bill establishes new employment and reporting requirements for the state's existing low income weatherization program. It will be important to implement these new requirements in a manner that allows the local community action agencies and their funding sponsors to comply efficiently and effectively with the new requirements. To that end, I will direct the Department of Commerce to prepare administrative rules immediately to address the interpretation of the new requirements.

With the exception of Section 403, Engrossed Second Substitute Senate Bill 5649 is approved.

Respectfully submitted,

Christine O. Gregoire
Governor

ESSB 5651
C 286 L 09

Providing humanitarian requirements for certain dog breeding practices.

By Senate Committee on Labor, Commerce & Consumer Protection (originally sponsored by Senators Kohl-Welles, Delvin, Kline and Tom).

Senate Committee on Judiciary
Senate Committee on Labor, Commerce & Consumer Protection
House Committee on Judiciary

Background: The United States Congress passed the Animal Welfare Act (Act) in 1966. The law requires the humane care and treatment of certain animals sold as pets at the wholesale level, transported in commerce, and used in research or exhibits. Individuals using or working with these animals must be licensed or registered by the United States Department of Agriculture (Department). They also must comply with regulations and standards enforced by the Department's Animal and Plant Health Inspection Service (APHIS). Although the Act generally does not cover domestic pets in retail stores, APHIS does inspect the wholesale dealers that supply such stores with dogs and cats.

Washington State's law for the prevention of cruelty to animals prohibits certain practices and activities involving animals. The law prohibits transporting or confining animals in an unsafe manner, engaging animals in exhibition fighting with other animals, and poisoning animals. Law enforcement agencies and animal care and control agencies may enforce the provisions of the animal cruelty law. Counties may individually regulate kennels, grooming facilities, and pet stores.

Summary: A person may not own, possess, control, or have charge or custody of more than 50 dogs with intact sexual organs over six months old at any time. Any person who has more than ten dogs with intact sexual organs over six months old and who keeps the dogs in an enclosure for the majority of the day, must at a minimum:

- provide space that allows each dog to turn around freely, stand, sit, and lie down without touching any other dog in the enclosure. Each enclosure must be at least three times the length and width of the longest dog in the enclosure;
- provide each dog more than four months old with a minimum of one exercise period each day for at least one hour. Exercise must include either leash walking or giving the dog access to an enclosure at least four times the size of the minimum allowable enclosure. The use of cat mills or similar devices are prohibited unless prescribed by a veterinarian;
- provide easy and convenient access to clean food and water; and
- provide veterinary care without delay when necessary. Animals requiring euthanasia must be euthanized only by a veterinarian.

Housing facilities and primary enclosures must:

- be kept sanitary with sufficient ventilation to minimize odors and prevent moisture condensation;
- contain a means of fire suppression, such as a fire extinguisher;
- have sufficient lighting to observe the dogs at any time;
- enable the dogs to remain dry, clean, and protected from weather conditions that are uncomfortable or hazardous;
- have floors that protect the dogs' feet and legs from injury;

- be placed no higher than 42 inches above the floor and not stacked; and
- be cleaned daily of feces, hair, dirt, debris, and food waste.

Requirements are established regarding when and under what conditions breeding females, females in heat, females and their litters, and puppies less than 12 weeks old may be in the same enclosure at the same time with other dogs. All dogs in the same enclosure at the same time must be compatible, as determined by observation. Animals with a vicious or aggressive disposition must never be placed in an enclosure with another animal, except for breeding purposes. Only dogs between the ages of 12 months and 8 years may be used for breeding.

A person who has more than 50 unaltered dogs that are more than six months old or who is subject to the requirements of this act and violates the requirements is guilty of a gross misdemeanor.

The requirements do not apply to:

- publicly operated animal control facilities or animal shelters;
- private, charitable nonprofit humane society or animal adoption organizations;
- veterinary facilities;
- retail pet stores;
- research institutions;
- boarding facilities; and
- grooming facilities.

Commercial dog breeders licensed by the U.S. Department of Agriculture before the effective date of the act are exempt from the prohibition against having more than 50 unaltered dogs more than six months old.

Votes on Final Passage:

Senate	35	11	
House	74	23	(House amended)
Senate	43	4	(Senate concurred)

Effective: January 1, 2010

SSB 5665

C 314 L 09

Authorizing a joint self-insurance program for two or more affordable housing entities.

By Senate Committee on Financial Institutions, Housing & Insurance (originally sponsored by Senators Berkey, Benton, Franklin, Parlette, Hobbs and Shin).

Senate Committee on Financial Institutions, Housing & Insurance

House Committee on Financial Institutions & Insurance

Background: Local government entities, including local housing authorities, have the authority to individually or jointly self-insure against risks, jointly purchase insurance or reinsurance, and contract for risk management, claims, and administrative services.

Local government joint self-insurance risk pools are authorized to create and delegate powers to a separate legal or administrative entity, and to obligate the pool's participants to pledge revenues or contribute money to secure the obligations or pay the expenses of the pool, including the establishment of a reserve or fund for coverage. Risk pools are authorized to sell revenue bonds and short-term obligations and establish lines of credit. Subject to specified conditions, local government entities may enter into joint self-insurance pools with similar entities from other states (multistate risk pools). The Risk Management Division within the Office of Financial Management (OFM) is responsible for the regulation of these pools. These pools are excluded from the definition of ‘‘insurer’’ under the insurance code.

Nonprofit organizations may form or join self-insurance risk pools with other nonprofit corporations and local government entities, but have no authorization to join risk pools that include entities in other states.

Summary: "Affordable housing entities" are defined as nonprofits that are necessary to the completion of affordable housing development because sufficient funds are unavailable to a housing authority. "Affordable housing" is defined as a unit that can be purchased or rented by households with incomes of 80 percent of county median income.

Affordable housing entities may create or join multistate risk pools. These risk pools are similar to existing local government and nonprofit entity risk pools, but are governed by a new parallel chapter rather than the existing statute. The primary differences are that affordable housing multistate risk pools are not subject to review by the State Auditor, are not required to submit reports or lists of proposed investments to the auditor, and are unable to sell bonds or obligations or establish lines of credit. They are not advised by the Property and Liability or Health and Welfare Advisory Boards. They must submit legal determinations of state and federal tax liabilities to the risk manager when applying to form a risk pool.

The risk manager must adopt rules governing affordable housing entity joint self-insurance programs by January 1, 2010. Such rules must include definitions of "affordable housing" and "affordable housing entities" and the conditions under which nonprofits may participate in risk pools.

Votes on Final Passage:

Senate	42	3	
House	97	1	(House amended)
Senate	44	4	(Senate concurred)

Effective: January 1, 2010

ESSB 5671
C 18 L 09

Determining the suitability of annuities sold in Washington.

By Senate Committee on Financial Institutions, Housing & Insurance (originally sponsored by Senators Berkey, Franklin, Shin and Haugen; by request of Insurance Commissioner).

Senate Committee on Financial Institutions, Housing & Insurance
House Committee on Financial Institutions & Insurance

Background: The Insurance Commissioner (the Commissioner) oversees insurers; insurance producers; insurance solicitors and adjusters; and the market practices of those persons and entities. This includes the sale of fixed and variable annuities.

The Department of Financial Institutions (DFI) regulates sales of most securities, and requires that people selling securities make recommendations that are suitable to the client. Fixed annuities are specifically excluded from DFI's regulation of securities and are not subject to the suitable recommendation requirement. Variable rate annuities are considered securities and are subject to the suitable recommendation requirement.

Summary: Insurers and producers must comply with a number of requirements in recommending or selling an annuity: they must have reasonable grounds to believe the recommendation is suitable; must make reasonable efforts to obtain relevant information from the client; and must make recommendations that are reasonable in light of all circumstances actually known to the insurer and producer.

Insurers may use a third party to monitor producers' compliance with these requirements if there is some reasonable inquiry by the insurer into the practices of the third party. A senior manager of the third party with a reasonable basis of knowledge must certify compliance with this section. Insurers and producers must retain records for at least five years, including the information used in making recommendations to consumers.

The Commissioner may order insurers and producers to take reasonably appropriate corrective action, and penalties may be reduced or eliminated in response to corrective actions.

Compliance with Financial Industry Regulatory Authority suitability rules is considered compliance with this section for annuities registered as securities. The Commissioner must notify the Legislature and the Governor of any changes regarding the registration of securities that would affect the applicability of this act.

This section doesn't apply to annuities that fund specified retirement plans, deferred compensation arrangements, settlements of personal injury litigation, or prepaid funeral contracts.

Nothing in this act is intended to affect the application of the Securities Act of Washington.

Votes on Final Passage:

Senate	45	0	
House	92	0	(House amended)
Senate	43	0	(Senate concurred)

Effective: July 26, 2009

SB 5673
C 315 L 09

Concerning certificates of need.

By Senators Pridemore, Zarelli, Keiser, Murray, Rockefeller, Hobbs, Regala and Shin.

Senate Committee on Health & Long-Term Care
House Committee on Health Care & Wellness

Background: The certificate of need (CON) program is operated by the Department of Health (the department) under direction of the secretary's designee. A CON is required before a health care facility can be constructed, sold, purchased, or leased or before a health care provider can offer certain new or expanded services. The purpose for a CON process is to ensure that new services proposed by health care providers are needed within a particular region.

Criteria for the review of a CON application are different for health maintenance organizations (HMO's) and other health care providers.

Health care facility CON applications are reviewed subject (but not limited) to the following criteria: the need for such services; the availability of less costly or more effective alternative methods of providing such services; financial feasibility; the impact on health care costs in the community, quality assurance, and cost effectiveness; the use of existing services and facilities; and (for hospitals) whether the hospital meets or exceeds the regional average level of charity care as well as other factors.

An HMO CON application is not subject to the previously listed criteria. Instead, an HMO CON application must be approved by the department if the department finds: CON approval is required to meet the needs of the HMO's current and future members, and the HMO is unable to provide its services in a reasonable and cost effective manner consistent with the basic method of operation.

Summary: An HMO is exempt from the requirement to obtain a CON prior to construction, development, establishment, sale, purchase, or lease of a hospital if the HMO operates a group practice which has been continuously licensed as an HMO since January 1, 2009.

Votes on Final Passage:

Senate	41	6	
House	97	1	(House amended)
Senate	42	6	(Senate concurred)

Effective: July 26, 2009

2SSB 5676
C 212 L 09

Providing for career and technical education opportunities for middle school students.

By Senate Committee on Ways & Means (originally sponsored by Senators McAuliffe, Rockefeller, Jarrett, Fairley, Hobbs, Schoesler and Shin; by request of Superintendent of Public Instruction).

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

Background: Current state funding formulas for public schools provide an enhancement for high school students enrolled in career and technical education (CTE) courses approved by the Office of the Superintendent of Public Instruction (OSPI). Currently, the enhancement amounts to an average of about $865 per full-time equivalent (FTE) student. Legislation enacted in 2007 authorized the same enhancement, to the extent that funds are provided in the operating budget, for middle school CTE programs approved by the OSPI. Middle schools apply for these funds through a grant process administered by the OSPI.

To receive approval from the OSPI as a CTE course, the course must be taught by a teacher with an endorsement in CTE. There are pathways to state certification and endorsement as a CTE teacher that give credit for occupational experience in the particular specialty area of instruction.

Summary: The limitation is removed that a middle school offering career and technical education receives an enhanced funding allocation only within funds appropriated for this purpose. The CTE program must be in science, technology, engineering, or mathematics (STEM) to qualify for the enhancement. Middle schools offering qualifying programs are to be funded at the same level as a high school offering a similar program.

Votes on Final Passage:

Senate	34	14
House	69	29

Effective: July 26, 2009
September 1, 2009 (Section 2)

SSB 5677
C 143 L 09

Regarding the dairy nutrient management program.

By Senate Committee on Agriculture & Rural Economic Development (originally sponsored by Senator Hatfield).

Senate Committee on Agriculture & Rural Economic Development
House Committee on Agriculture & Natural Resources

Background: The Dairy Nutrient Management Act (DNMA) was amended in 2003 and provides that "all powers, duties, and functions of the Department of Ecology are transferred to the Department of Agriculture." That legislation also provides authority for the agencies to enter into a memorandum of understanding that includes administration of federal requirements relating to concentrated animal feeding operations.

Since the effective date of the 2003 legislation, the Washington State Department of Agriculture (WSDA) has been inspecting dairy farms for compliance with the DNMA. In transferring the program, specific authority was not conveyed to WSDA to obtain search warrants if access to conduct an inspection was denied by a dairy operator. If denied, WSDA has to rely on the Department of Ecology's current statutory authority to obtain access.

Dairy nutrient management plans and Natural Resource Conservation Service (NRCS) standards include requirements to apply nutrients within agronomic rates as a means of preventing discharges of nutrients to waters of the state. NRCS requires records of nutrient applications to be maintained for three years. Dairies that hold National Pollution Discharge Elimination System (NPDES) permits are currently required to keep nutrient applications records for five years. To be a violation, current law requires that (1) a discharge occur, and (2) nutrients were applied in excess of agronomic rates. As a means of reducing the potential to pollute, it is proposed that a separate violation be created for failure to maintain records adequate to show that dairy nutrients were applied within acceptable agronomic rates.

Summary: The Department of Agriculture is authorized to enter onto dairy farms at all reasonable times for the purpose of inspecting and investigating conditions relating to pollution of waters. If access is denied, WSDA my apply to court for a search warrant to authorize access to the property and facilities to conduct tests and inspections, to take samples, and to examine records.

It is a separate violation to fail to maintain records to show that application of nutrients to land were applied within acceptable agronomic rates. This record keeping requirement is lengthened to five years for all dairy farms beginning on July 1, 2011.

Votes on Final Passage:

Senate	46	2
House	97	1

Effective: July 26, 2009

SB 5680
C 58 L 09

Modifying the property tax exemption for nonprofit artistic, scientific, historical, and performing arts organizations.

By Senators Jarrett, Zarelli, Shin, Kohl-Welles and Oemig.

Senate Committee on Ways & Means
House Committee on Finance

Background: All property in this state is subject to property tax each year based on the property's value unless a specific exemption is provided by law. Several property tax exemptions exist for nonprofit organizations.

Property tax exempt property must be used exclusively for the actual operation of the activity for which the exemption was granted. Generally the property may be loaned or rented if (1) the rent received for the use of the property is reasonable and does not exceed maintenance and operation expenses; and (2) the organization renting the property would be exempt from tax if it owned the property.

Exemptions for renting the property to nonexempt organizations are provided for public assembly halls (use for pecuniary gain limited to 15 days a year); war veterans organizations (use for pecuniary gain limited to 15 days a year), character building, benevolent, protective, or rehabilitative social service organizations (all nonexempt users limited to 15 days for organizations located in counties with population less than 20,000); schools and colleges (use for pecuniary gain limited to seven days a year), scientific and historical collections, as well as performing arts properties (all nonexempt users limited to 25 days of which seven can be for pecuniary gain).

Summary: Nonprofit associations that maintain and exhibit historical, scientific, or artistic collections, as well as performing arts associations, may retain their property tax exemption when they allow another organization that does not qualify for the property tax exemption to use or rent their exempt property.

The number of days that property may be used for these purposes is increased from 25 to 50 days per year. The number of days the property may be used for profit-making business activities is increased from seven days to 15 days.

The time used for setup and takedown activities preceding or following a meeting or other event does not count against the 15- and 50-day limitations. Rental charges are no longer limited to an amount that does not exceed the maintenance and operation expenses created by the user.

Votes on Final Passage:

Senate	48	0	
House	97	0	

Effective: July 26, 2009

SSB 5684
C 471 L 09

Addressing environmental mitigation in highway construction.

By Senate Committee on Transportation (originally sponsored by Senators Haugen, Swecker, Ranker, Hatfield, Jarrett and Kline).

Senate Committee on Transportation
House Committee on Transportation

Background: Under the State and Federal Environmental Policy Acts, the Washington State Department of Transportation (WSDOT) is required to review unavoidable environmental impacts of transportation construction projects and identify possible mitigation measures. Mitigation may include enhancing existing environments, such as wetlands, or creating new habitats, such as new wetlands.

Under the State Growth Management Act certain counties and cities are required to designate agricultural lands that are of long-term commercial significance and develop conservation strategies applicable to those lands.

Summary: In the process of reviewing potential sites to be used for mitigation of a highway construction project, if WSDOT considers using agricultural lands of long-term significance, they must, to the greatest extent possible, consider using public land first. Additionally, WSDOT must make every effort to avoid any net loss of agricultural lands that have a designation of long-term commercial significance.

Votes on Final Passage:

Senate	49	0	
House	97	0	(House amended)
Senate			(Senate refused to concur)
House	95	0	(House receded)

Effective: July 26, 2009

E2SSB 5688
C 521 L 09

Expanding the rights and responsibilities of state registered domestic partners.

By Senate Committee on Ways & Means (originally sponsored by Senators Murray, McDermott, Kohl-Welles, Fairley, Hobbs, Ranker, Pridemore, Kauffman, Kline, Keiser, Regala, Fraser, Prentice, Oemig, Franklin, McAuliffe, Jarrett, Brown, Kilmer and Tom).

Senate Committee on Government Operations & Elections
Senate Committee on Ways & Means
House Committee on Judiciary
House Committee on Ways & Means

Background: In 2007 the Legislature created a domestic partnership registry in the Office of the Secretary of State (OSOS). The legislation allows individuals to enter into a state-registered domestic partnership so long as the individuals meet certain criteria, such as sharing a common residence; being at least 18 years of age; being members of the same sex; or one person being at least 62 years of age. At the time the registry was created, state-registered domestic partnerships could be terminated by either party filing a notice of termination with the OSOS and paying the accompanying filing fee. The termination was effective after 90 days.

The 2007 legislation extended certain powers and rights available to spouses to domestic partners, such as health care facility visitation rights; ability to grant informed consent for health care for a patient who is not competent; title and rights to cemetery plots; and automatic termination of power of attorney upon termination of the partnership.

Same-sex domestic partners of public employees are eligible to participate in Public Employees Benefits Board (PEBB) insurance coverage. A certificate of domestic partnership issued to a same sex couple by the OSOS fulfills eligibility requirements for the same sex partner of the public employee to receive benefits.

In 2008 the Legislature enacted 2SHB 3104 which expanded the rights and responsibilities of domestic partners. The legislation amended statutes related to dissolutions; community property; estate planning; taxes; court process; service to indigent veterans and other public assistance; conflicts of interest for public officials; and guardianships.

Additionally, the termination process available to domestic partners was modified. To terminate a domestic partnership, a domestic partner must file a petition for dissolution in superior court and follow the same procedures applicable to dissolution of marriage. Parties may use a non-judicial termination process by filing a notice of termination with the OSOS if, at the time of filing notice, certain criteria are met, including neither party has minor children and neither party is pregnant; the domestic partnership is not more than five years in duration; the total fair market value of community assets is less than $25,000 and neither party has separate property assets in excess of $25,000.

Summary: It is the intent of the Legislature that for all purposes under state law, state-registered domestic partners must be treated the same as married spouses.

Agencies must amend their rules to reflect the intent of the Legislature to ensure that all privileges, immunities, rights, benefits, or responsibilities granted or imposed by statute to an individual because that individual is or was a spouse in a marital relationship are granted or imposed on equivalent terms to an individual because that individual is or was in a state-registered domestic partnership.

The terms spouse, marriage, marital, husband, wife, widow, widower, next of kin, and family are interpreted as applying equally to state-registered domestic partnerships as well as to marital relationships and married persons, and references to dissolution of marriage apply equally to state-registered domestic partnerships that have been terminated, dissolved, or invalidated, to the extent that such interpretation does not conflict with federal law.

Gender specific terms such as husband and wife used in any statute, rule, or other law are construed to be gender neutral, and applicable to individuals in state-registered domestic partnerships.

The non-judicial termination process available to domestic partners is repealed.

Votes on Final Passage:

Senate	30	18
House	62	35

Effective: July 26, 2009
August 1, 2009 (Sections 165 and 166)
January 1, 2014 (Sections 5 - 8, 79, 87 -103, 107, 151, 173 - 175, and 190 - 192)

SB 5695
C 108 L 09

Authorizing the Washington state patrol to accept donations.

By Senators Oemig, Swecker, Ranker, Tom, Shin and Haugen; by request of Washington State Patrol.

Senate Committee on Transportation
House Committee on State Government & Tribal Affairs

Background: The Washington State Patrol (WSP) occasionally receives donations, including donated equipment. Current law permits WSP to accept donations for fire training activities, but does not address whether WSP is authorized to accept other donations.

Summary: WSP may accept donations of money or property for the purpose of fulfilling its mission.

Votes on Final Passage:

Senate	49	0
House	98	0

Effective: July 26, 2009

SB 5699
C 117 L 09

Concerning the office of public guardianship.

By Senators Franklin, Kline and Parlette.

Senate Committee on Judiciary
House Committee on Judiciary

Background: In 2007 the Legislature passed SSB 5320, which established an Office of Public Guardianship

(OPG) within the Administrative Office of the Courts, to provide guardianship services to incapacitated individuals for whom adequate services may otherwise be unavailable. Initial implementation of the OPG is limited to a pilot basis. The OPG has started pilot programs in the following counties: Clallam, Grays Harbor, King, Okanogan, Pierce, and Spokane.

Public guardians must be certified by the Certified Professional Guardian Board and meet minimum standards of practice established by the OPG. Additionally, a public guardian may not serve as a guardian for more than 20 individuals at one time. Currently, the OPG is only authorized to provide training for public guardians who are already under contract with the OPG.

In 2007 the Governor vetoed a section of SSB 5320 that established a Public Guardianship Advisory Committee to review the activities of the OPG and make recommendations on issues relating to the provision of public guardianship services. However, references to the advisory committee remain throughout the public guardianship statute.

Summary: The authority of the OPG is expanded to allow training for individuals who are likely to provide service to the OPG in the future.

References to the advisory committee that was vetoed by the Governor in 2007 are removed.

Votes on Final Passage:

Senate	45	0
House	98	0

Effective: July 26, 2009

SSB 5705

C 144 L 09

Regarding voting rights in special districts.

By Senate Committee on Government Operations & Elections (originally sponsored by Senator Swecker).

Senate Committee on Government Operations & Elections
House Committee on Local Government & Housing

Background: The owner of land located in a special district who is a qualified voter of the special district must receive two votes at any election. If multiple undivided interests, other than community property interests, exists in a lot or parcel and no person owns a majority undivided interest, the owners of undivided interests at least equal to a majority interest may designate in writing:

1. which owner is eligible to vote and may cast two votes; or
2. which two owners are eligible to vote and may cast one vote each.

If land is owned as community property, each spouse is entitled to one vote if both spouses otherwise qualify to vote, unless one spouse designates in writing that the other spouse may cast both votes.

A corporation, partnership, or governmental entity must designate:

1. a natural person to cast its two votes; or
2. two natural persons to each cast one of their votes.

With limited exceptions, no owner of land may cast more than two votes or have more than two votes cast for him or her in a special district election.

Summary: All registered voters within a special flood control district consisting of three or more counties are qualified voters in special flood control district elections.

Special flood control districts consisting of three or more counties are exempt from receiving two votes per land owner.

Special flood control districts consisting of three or more counties are not required to have their elections on the first Tuesday following the first Monday in November in the odd-numbered years.

Votes on Final Passage:

Senate	48	0
House	98	0

Effective: July 26, 2009

SSB 5718

C 409 L 09

Concerning the commitment of sexually violent predators.

By Senate Committee on Human Services & Corrections (originally sponsored by Senators Regala, Stevens, Holmquist, Hobbs, Carrell and Hatfield; by request of Attorney General).

Senate Committee on Human Services & Corrections
House Committee on Public Safety & Emergency Preparedness

Background: Under the Community Protection Act of 1990, a sexually violent predator may be civilly committed upon the expiration of that person's criminal sentence. A sexually violent predator (SVP) is a person who has been convicted of or charged with a sexually violent offense and who suffers from a mental abnormality or personality disorder that makes the person likely to engage in predatory acts of sexual violence if not confined to a secure facility. Crimes that constitute a sexually violent offense are enumerated in the statute and may include a federal or out-of-state offense if the crime would be a sexually violent offense under the laws of this state. The term "predatory" is defined to mean acts directed towards strangers or individuals with whom a relationship has been established for the primary purpose of victimization.

An agency with jurisdiction to release a person serving a term of confinement must refer a person to the prosecuting agency when it appears that a person may meet the criteria of an SVP. A releasing agency will be the

Department of Corrections, the Indeterminate Sentence Review Board, or the Department of Social and Health Services (DSHS), but referrals are generally generated through the End of Sentence Review Committee (ESRC). The referring agency is required to provide "all relevant information" about that person to the prosecuting agency. The ESRC is given broad authority to access relevant records, but many times does not have the time or the resources to gather all relevant documents.

If the person is not confined when the petition for civil commitment is filed but the person committed a sexually violent offense at some time previously, the likelihood that the person will engage in these acts if not confined must be evidenced by a "recent overt act." When it appears that a person may meet the criteria of an SVP, the prosecuting attorney of the county where the person was convicted or charged or the Attorney General's Office (AGO), if so requested by the prosecuting attorney, may file a petition alleging that the person is an SVP.

Once a petition is filed, the person may be taken into custody. A probable cause hearing must be held within 72 hours. If the judge determines that probable cause exists to believe that the person is an SVP, the person is provided an opportunity to contest this determination at a probable cause hearing. If the probable cause determination is confirmed, the person is evaluated and the case is set for trial. The court or a unanimous jury must determine whether, beyond a reasonable doubt, the person is an SVP. If this burden is not met, the court must direct the person's release.

If a person is found at trial to be an SVP, the state is authorized by statute to involuntarily commit a person to a secure treatment facility. Civil commitment as an SVP is for an indefinite period. Once a person is so committed, DSHS must conduct annual reviews to determine whether (1) the detainee's condition has "so changed" such that the detainee no longer meets the definition of an SVP; or (2) conditional release to a less restrictive alternative (LRA) is in the best interest of the detainee and conditions can be imposed to protect the community. The review is filed with the court and served on both the prosecutor and the detainee. Even if DSHS' annual review does not result in a recommendation of any type of release, the detainee may nonetheless petition annually for conditional release or unconditional discharge.

If a detainee petitions for conditional release or unconditional discharge, the court must set a show cause hearing to determine whether probable cause exists to warrant a hearing on whether the person still meets the definition of an SVP or if a less restrict alternative would be in the best interest of the person. If the court finds probable cause exists, the court must set a hearing. If the person no longer meets the definition of an SVP, the person must be released. The SVP or the state may propose a conditional release to an LRA. A state-endorsed plan will be a graduated release plan that entails the SVP moving to a Secure Community Transition Facility. A Secure Community Transition Facility is a facility that provides greater freedom to the SVP and is designed to allow the SVP to gradually transition back to the community while continuing treatment. If an SVP submits his or her own less restrictive alternative, the plan must meet specific statutory criteria.

Recent Caselaw. *In re Detention of Martin*, 163 Wn.2d 501 (2008). Martin was convicted in Clark County of burglary in the second degree with sexual motivation and indecent exposure, neither of which are sexually violent offenses under Washington law. Martin did, however, have a conviction in Oregon for kidnapping and sexual abuse, both of which qualify as sexually violent offenses. For out-of-state convictions, it has been the practice of the AGO to file civil commitment proceedings in Thurston County at the request of the Thurston County Prosecutor's Office. Martin appealed on the claim that the Thurston County Prosecutor's Office did not have the authority to file the commitment action as he was never convicted or charged with an offense in Thurston County. The court agreed with Martin and dismissed the petition against him for civil commitment.

In re Detention of Post, 145 Wn.App 728 (2008). Post was convicted of two counts of rape in 1974 and one count of rape in the first degree in 1988. The day before Post was scheduled to be released, the state filed a petition requesting that he be committed as an SVP. Post participated in sex offender treatment while incarcerated and also completed phases one and two of the six-phase treatment program at the Special Commitment Center (SCC) while awaiting trial. Post presented evidence of a voluntary community-based treatment program in which he could participate, if released from custody, so as to lessen the likelihood that he would reoffend. In response, the state presented evidence concerning the SCC's treatment program that would be available to Post only if he was committed as an SVP. The state also presented evidence of potential less restrictive alternatives to confinement that might also be ultimately available to Post, but only if he were first committed as an SVP.

On appeal, the court determined that the trial court erred in admitting evidence as to the potential LRA and content of the SCC treatment program. It found that the evidence was not relevant to the issue before the jury as to whether Post was an SVP and was highly and unfairly prejudicial to Post. The court relied, in part, on the fact that the Legislature did not choose to provide the state with the authority to present evidence of treatment programs or opportunities that would be available to the respondent only if he were committed as an SVP, or conditions of release that could be imposed on him after such a committal.

In re Detention of Harris, 141 Wn.App 673 (2007). Harris argued at trial that he should be allowed to present evidence that he was at a lower risk of reoffense because the state could file an SVP petition against him at any time after release (if he committed an overt act). The court denied his request. The appellate court affirmed, stating that

Harris could only present evidence concerning conditions that would actually exist if he was released from custody.

Summary: Prosecuting Agency. Prosecuting agency is defined as the prosecuting attorney of the county where the person was convicted or charged or the AGO if requested by the prosecuting attorney.

The prosecuting agency is given the same authority to obtain relevant records as that provided to ESRC. The prosecuting agency is also authorized to use the inquiry judge procedures to obtain subpoenas for relevant out-of-state records, so that it may obtain relevant records prior to filing an SVP petition.

The provisions regarding who has the authority to file an SVP petition are clarified to specify that a petition may be filed in:

- any county in Washington where the person was charged or convicted with a predicate offense (sexually violent offense);
- a county where the person committed a "recent overt act;"
- any Washington county where the person has been convicted of a sex offense when the person's predicate offense is from out of state; or
- any county where the person has been convicted of a crime (re: *Martin*) if the person has no prior sex offense convictions in Washington.

When the AGO is acting as the prosecuting agency, the court clerk must charge the AGO the same fees that would be levied against the local prosecuting attorney.

Evidentiary Provisions Pre-Commitment. Formal discovery (e.g. depositions) is not available until after the probable cause hearing and the court makes the determination that the matter will be set for trial. Within 24 hours of filing a petition, the state must give the defense a complete copy of all of the materials provided to the state by the referring agency as well as any material gathered by the state during the course of the pre-filing investigation. The detainee may be held in the county jail until the conclusion of the probable cause hearing.

Less Restrictive Alternative. The court may not order an LRA trial at the annual review hearing unless the proposed LRA submitted by the SVP meets all of the statutory requirements. The SVP's proposed housing for the LRA must be in the state of Washington. A person released to an LRA is subject to GPS monitoring.

The process for revoking an LRA is clarified:

- Revocation of an LRA and modification of an LRA are treated separately.
- The determination of whether to take an SVP on an LRA into custody pending a revocation/modification is the responsibility of the supervising community corrections officer, SCC personnel, or law enforcement.
- The prosecuting agency has the authority to represent the state at the revocation/modification hearing.
- The factors to be considered by the court in a revocation hearing are listed.

Other Provisions. Personality disorder is defined, using the definition from the Diagnostic and Statistical Manual of Mental Disorders. Evidence of a personality disorder must be supported by the testimony of a licensed professional.

A person may be required to be housed at the local jail for any hearing that lasts more than one day without the need to transport the person back and forth each day from McNeil Island. The person may be returned to the SCC for weekends and holidays. Counties are eligible for reimbursement and transport costs.

In the event the court finds a person does not or no longer meets commitment criteria, the state may hold the person for 24 hours prior to release.

The SCC must provide to SVP prosecutors copies of all reports made by the SCC to law enforcement that involve an SCC resident as a suspect, witness, or victim.

This act applies retroactively to all persons currently committed or awaiting commitment. If any provision of the act is held invalid, the remainder of the act is not affected.

Votes on Final Passage:

Senate	46	1	
House	97	0	(House amended)
Senate	49	0	(Senate concurred)

Effective: May 7, 2009

SSB 5719

C 284 L 09

Modifying title and registration requirements for kit vehicles.

By Senate Committee on Transportation (originally sponsored by Senators Swecker and Brown).

Senate Committee on Transportation
House Committee on Transportation

Background: Kit vehicles are passenger cars or trucks that are assembled from a manufactured kit. Current requirements for titling and registering a kit vehicle specify that the make must be listed as "KITV," and the series and body designation must describe the appearance of the vehicle using the word "replica." The titling requirements also specify that the vehicle must comply with the Washington Administrative Code (WAC) chapter that formerly contained equipment standards established by the Washington State Patrol (WSP).

Among the equipment standards promulgated by the WSP are the requirements that a vehicle must have a frame that was welded by a certified welder, and the structural

strength of the frame must be certified by an engineer as meeting certain federal standards.

Summary: A definition of "kit vehicle" is added, together with a list of the components that must be present in order for the vehicle to pass a pre-registration inspection. In order to pass inspection, a kit vehicle must include: brakes on all wheels; brake hoses; brake fluids; a separately actuated parking brake; lights; pneumatic tires; a glazed windshield; seat belts; a defroster; door latches; an adequate floor plan; separation between the passenger compartment and any internal combustion engine; fenders; a speedometer; mirrors; an accelerator with double springs; a leak proof, ventilated, and securely attached fuel system; a steering wheel; a suspension; an exhaust system; and a horn.

The series and body designations for a kit vehicle must describe a discrete vehicle, but need not identify the vehicle as a replica of another vehicle. The Department of Licensing (DOL) must use the model year of a manufactured new vehicle kit and manufactured body kit as the year reflected on the manufacturer's certificate of origin.

The reference to the WAC chapter for equipment standards in the kit vehicle statute is updated. Kit vehicles must comply with the equipment standards established by the WSP; however, a kit vehicle is exempt from the welding requirements specified in WAC if the owner provides documentation from the manufacturer that informs the owner that the welding on the frame was not completed by a certified welder and that the structural strength of the frame has not been certified by an engineer.

DOL must issue a certificate of ownership or registration to an applicant who completes an application, complies with the statute governing the titling of a kit vehicle, and pays the requisite titling fees and taxes. DOL must issue a vehicle license or license plates to an applicant who completes an application, is a Washington State resident, complies with the statute governing the licensing of a kit vehicle, and pays the requisite vehicle licensing fees and taxes.

Votes on Final Passage:

Senate	43	1	
House	97	1	(House amended)
Senate	47	0	(Senate concurred)

Effective: July 26, 2009

SB 5720

C 316 L 09

Including stepchildren in tuition waivers for children of veterans and national guard members.

By Senators Hewitt, Hobbs, Brandland and Shin.

Senate Committee on Higher Education & Workforce Development

House Committee on Higher Education

Background: Institutions must waive all tuition and fees for the children and spouses of eligible veterans or National Guard members who died or became permanently and totally disabled as a result of active service or who are missing in action or prisoners of war. "Totally disabled" means a person who has been determined to be 100 percent disabled by the federal Department of Veterans Affairs. To qualify for the waiver, a child must be a Washington resident between 17 and 26 years old. A spouse must also be a Washington resident and may not have remarried. With respect to a spouse, there is a ten-year limitation which runs from the date of the veteran's death, disability, or federal determination of POW/MIA status.

Waiver recipients may attend part-time or full-time. Total credits earned pursuant to the waiver may not exceed 200 quarter credits or the equivalent of semester credits. Tuition waivers for graduate students are not required but are encouraged.

Summary: The term "child" is defined as a biological child, adopted child, or stepchild.

Votes on Final Passage:

Senate	46	1	
House	97	0	(House amended)
Senate	47	0	(Senate concurred)

Effective: July 26, 2009

SSB 5723

C 486 L 09

Providing support for small business assistance.

By Senate Committee on Economic Development, Trade & Innovation (originally sponsored by Senators Kastama, Shin and Swecker).

Senate Committee on Economic Development, Trade & Innovation

House Committee on Community & Economic Development & Trade

House Committee on Ways & Means

Background: The Washington Small Business Development Center (SBDC) provides assistance, training, and support services to small businesses and entrepreneurs. The SBDC currently operates with federal funds and some state funds. The SBDC charges a nominal fee for a few training services.

Washington's Community Credit Needs Act, patterned after the federal Community Reinvestment Act (CRA), is intended to encourage depository institutions to help meet the credit needs of the communities in which they operate. Under both laws, a depository institution's record in helping meet the credit needs of its entire community is evaluated periodically based on the institution's filed statements. CRA examinations are conducted by the federal agencies that are responsible for supervising

depository institutions. For state chartered banks, state law sets forth 11 specific criteria, independent of any federal determination, for the Director of the Department of Financial Institutions to use in assessing a bank's record of performance in meeting community credit needs.

Most businesses subject to state excise taxes must apply for and obtain a registration certificate. About 80,000 new businesses obtain a registration certificate each year.

Summary: The SBDC will work with specified state and local economic and workforce development organizations to integrate, target, coordinate, and tailor its services and to establish and expand satellite offices when financially feasible. The SBDC is directed to request approval from the U.S. Small Business Administration for a special emphasis initiative to target assistance to the state's smaller businesses. The SBDC is required to submit a written final report on December 1, 2010, on accomplishments and outcomes of the act's directives.

For state chartered banks, contributions to local or statewide business assistance organizations must be considered in assessing the bank's performance in meeting community credit needs.

State agency solicitations of purchased goods and services, personal services, information services, and printing services must be posted on the state's common vendor registration and bid notification system. The state's central services agencies are to develop procurement policies and procedures which encourage and facilitate state agency purchases of products and services from small businesses in Washington.

The Business Assistance Account is created in the state treasury to be used for the expansion of business assistance services delivered by the SBDC.

Votes on Final Passage:

Senate	39	3	
House	95	2	(House amended)
Senate	49	0	(Senate concurred)

Effective: July 26, 2009

SSB 5724

C 281 L 09

Concerning the generation of electricity from biomass energy that is a renewable resource.

By Senate Committee on Environment, Water & Energy (originally sponsored by Senator Pridemore).

Senate Committee on Environment, Water & Energy
House Committee on Technology, Energy & Communications

Background: Biomass Energy Under Initiative 937. Approved by voters in 2006, the Energy Independence Act, also known as Initiative 937, requires electric utilities with 25,000 or more customers to meet targets for energy conservation and for using eligible renewable resources.

Under the Initiative, "biomass energy" is an eligible renewable resource if, among other things, it is based on animal waste or solid organic fuels from wood, forest, or field residues, or dedicated energy crops that do not include the following: (1) wood pieces that have been treated with chemical preservatives such as creosote, pentachlorophenol, or copper-chrome-arsenic; (2) black liquor byproduct from paper production; (3) wood from old growth forests; or (4) municipal solid waste.

County Authority to Generate Electricity. Under the solid waste management laws, a county may generate electricity from solid waste subject to air quality permitting, although no county is currently doing so. It is not clear if counties are authorized to generate electricity from biomass energy.

Public Utility Districts (PUDs). PUDs are municipal corporations authorized to provide electricity, water, and sewer service. There are currently 28 PUDs in Washington, at least ten of which provide electricity: Chelan, Clark, Cowlitz, Douglas, Grant, Klickitat, Lewis, Mason Number 3, Pend Oreille, and Snohomish.

Summary: A county with a PUD that generates, transmits, and distributes electricity for sale within the county may construct and operate a facility to generate electricity from biomass that is classified as a "renewable resource" under Initiative 937, lignin in spent pulping liquors, or liquors derived from algae and other sources. The county may regulate and control the electricity produced by the facility.

Votes on Final Passage:

Senate	46	0	
House	98	0	(House amended)
Senate	47	0	(Senate concurred)

Effective: July 26, 2009

SSB 5725

C 487 L 09

Concerning health benefit plan coverage for organ transplants.

By Senate Committee on Health & Long-Term Care (originally sponsored by Senator Keiser).

Senate Committee on Health & Long-Term Care
House Committee on Health Care & Wellness

Background: Comprehensive health insurance plans provide coverage for organ and tissue transplants. Transplants include single organ transplants such as heart, intestine, kidney, liver, lung, pancreas, multiple organ transplants, and tissue transplants such as bone marrow and cornea transplants. Many health benefit plans have lifetime maximum benefits that will be paid and many also have internal benefit maximums applied to specific benefits, such as a lifetime maximum on organ and tissue transplants of $250,000. An April 2008 Milliman Research

Report on U.S. Organ and Tissue Transplant Cost Estimates displays the average estimated billed charges for various transplants: a cornea transplant is estimated at $20,700; a heart transplant is estimated at $787,000; and a heart-lung transplant is estimated at $1,123,800.

Summary: All health benefit plans issued or renewed on or after January 1, 2010, that provide coverage for organ transplants must not include a separate lifetime limit on transplants that is any less than $350,000. The lifetime limit on transplants applies from one day prior to the date of the transplant or the date of hospital admission through 100 days after the transplant. The major medical lifetime limit applies to health care services provided before and after this time period. Donor-related services may apply to the lifetime limit on transplants any time. It is clarified that organ transplants include tissue transplants.

Votes on Final Passage:

Senate	47	0	
House	97	0	(House amended)
Senate	49	0	(Senate concurred)

Effective: July 26, 2009

SB 5731
C 304 L 09

Distributing health plan information.

By Senators Keiser and Pflug.

Senate Committee on Health & Long-Term Care
House Committee on Health Care & Wellness

Background: The 2000 Legislature passed the health care patient bill of rights which established standards for health plan communication with enrollees, and protections of health care privacy. The insurance carriers are required to provide full descriptive information about their health plans and benefits upon request. Information that must be made available prior to purchase includes the covered benefits including the prescription drug benefits and any formulary, a list of benefit exclusions or limitations, policies for protecting confidential information, premium and cost-sharing requirements, a summary of the grievance process, a statement on point-of-service options, and a list of participating providers.

Upon request, insurance carriers must provide an array of written information that includes, but is not limited to, a full description of the procedures for consulting a specialist, the procedures for prior authorization, a description of the reimbursement or payment arrangement between a carrier and provider, a description of incentives or penalties intended to encourage providers to minimize referrals, and accreditation status. Carriers must communicate the information by means that ensure a substantial portion of the enrollee population can make use of the information.

Summary: Insurance carriers are permitted flexibility to implement alternative methods of communicating with enrollees. Alternatives may include website alerts, postcard mailings, and electronic communication in lieu of printed materials. Rules established by the Office of the Insurance Commissioner must consider opportunities to reduce health plan administrative costs.

Votes on Final Passage:

Senate	46	0	
House	98	0	(House amended)
Senate	47	0	(Senate concurred)

Effective: July 26, 2009

SSB 5732
C 490 L 09

Concerning traffic infractions for drivers whose licenses or privileges are suspended or revoked.

By Senate Committee on Judiciary (originally sponsored by Senators Kline, McCaslin, Regala and Hargrove).

Senate Committee on Judiciary
House Committee on Transportation

Background: It is unlawful for any person to drive a motor vehicle in this state while that person's privilege to drive is suspended or revoked. Persons can have their drivers' license suspended for failure to respond to a notice of a traffic infraction or for failure to appear at a requested hearing for a traffic infraction. In Washington, there are approximately 102,000 cases of driving with license suspended in the third degree (DWLS 3) filed annually and approximately 45,000 convictions for this offense.

DWLS 3 is a misdemeanor and it can be committed under a variety of circumstances. A person commits DWLS 3 by driving a motor vehicle when the person's driver's license is suspended or revoked because the person has (1) failed to respond to a notice of traffic infraction; (2) failed to appear at a requested hearing; (3) violated a written promise to appear in court; or (4) failed to comply with the terms of a notice of traffic infraction or citation. There are also several other behaviors which constitute DWLS 3.

The vast majority of courts of limited jurisdiction in Washington do not offer an option of a relicensing diversion program to people who are arrested and/or charged with DWLS 3. The Office of Public Defense conducted a recent survey of the district and municipal courts to determine how they deal with DWLS 3 cases. Approximately 17 percent of the courts that responded offer some sort of relicensing programs. The remainder of the courts handle the cases in the traditional way, with the involvement of a prosecutor, possibly a public defender, and the typical court procedures associated with a criminal case.

Current law directs the Department of Licensing to furnish a certified abstract of a person's driving record to the person named in the abstract. Currently, most courts

of limited jurisdiction do not give a copy of a person's driver's abstract to the person named in the abstract.

Summary: When a person commits DWLS 3 due to failure to appear at a requested hearing or failure to respond or pay a traffic infraction, a court or prosecuting attorney will give an abstract of a person's driving record to the person named in the record, in addition to a list of the person's unpaid traffic offense-related fines and contact information for each jurisdiction or collection agency to which the money is owed. This is required in jurisdictions that do not have a relicensing diversion program. A fee of up to $20 may be imposed by the court.

The superior courts or courts of limited jurisdiction are authorized to participate or provide relicensing diversion programs to persons who commit DWLS 3 due to failure to respond to a notice of traffic infraction, failure to appear at a requested hearing, violation of a promise to appear in court, or failure to comply with the terms of a notice of traffic infraction or citation. Eligibility is limited to violators who, within ten years preceding the date of entering the relicensing diversion program, have had no more than four convictions of DWLS 3 due to failure to appear at a requested hearing or failure to respond or comply with the terms of traffic infraction, subject to a less restrictive rule imposed by the presiding judge of the county district court or municipal court. People subject to arrest under a warrant are not eligible for the diversion program. The diversion option may be offered at the discretion of the prosecuting attorney before charges are filed or by the court after charges are filed. A person who is the holder of a commercial driver's license or who was operating a commercial motor vehicle at the time of the violation DWLS 3 may not participate in the diversion program. Participants for whom charges are filed may be charged a fee of up to $100 to support administration of the program. A relicensing diversion program assists drivers with suspended or revoked licenses to regain their license and insurance and to pay their outstanding fines.

Subject to available funds, counties and cities with relicensing diversion programs will annually provide the Administrative Office of the Courts (AOC) with information regarding the costs and eligibility criteria of the programs, the number of participants, how many regain their drivers' licenses and insurance, and the total amount of fines collected. Subject to available funds, AOC is directed to analyze the data and recommend a best practices model for relicensing diversion programs.

Votes on Final Passage:

Senate	32	13	
House	60	36	(House amended)
Senate	34	15	(Senate concurred)

Effective: July 26, 2009

SSB 5734
PARTIAL VETO
C 574 L 09

Regarding tuition at institutions.

By Senate Committee on Higher Education & Workforce Development (originally sponsored by Senators Kilmer, Delvin and Shin; by request of Higher Education Coordinating Board).

Senate Committee on Higher Education & Workforce Development
House Committee on Higher Education
House Committee on Ways & Means

Background: Beginning with the 2003-04 academic year, the governing boards of the public colleges and universities have authority to set full-time tuition fees for all students other than resident undergraduates. The Legislature has the authority to set full-time tuition fees for resident undergraduates at public colleges and universities. The governing boards' limited fee-setting authority will expire at the end of the 2008-09 academic year. Beginning in the 2009-10 academic year, tuition fees for full-time students at the state's colleges and universities will be the same as tuition charged in the 2008-09 academic year unless different rates are adopted by the Legislature.

Summary: Resident undergraduate tuition increases are provided in the Omnibus Operating Budget through academic year 2012-13. The institutions of higher education set tuition for all other classifications of students through academic year 2012-13. Each academic year, the governing boards of the four-year institutions and the two-year colleges must provide the students with data regarding student financial aid and consult with existing student associations or organizations prior to setting tuition.

Any tuition increase above 7 percent must be used fund the cost of instruction, library and student services, utilities and maintenance of buildings, institutional financial aid, or other costs related to instruction. Budgetary reductions through 2010-11 to instruction related costs must be proportionally less than reductions associated with other program areas, including administration.

Votes on Final Passage:

Senate	44	0	
House	53	44	(House amended)
Senate	36	8	(Senate concurred)

Effective: July 26, 2009

Partial Veto Summary: A systemic performance audit of the state universities, regional universities, and The Evergreen State College by the Joint Legislative Audit and Review Committee was vetoed because ESHB 2344 (C 540 L 09) already provided for an identical audit.

VETO MESSAGE ON SSB 5734

May 19, 2009

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I have approved, except for Section 2, Substitute Senate Bill 5734 entitled:

"AN ACT Relating to tuition fees."

Section 2 of Substitute Senate Bill 5734 is identical to Section 3 in Engrossed Substitute House Bill 2344 that I signed yesterday. Signing two bills with identical sections may cause confusion, so I am vetoing this iteration of the performance audit requirement.

For this reason, I have vetoed Section 2 of Substitute Senate Bill 5734.

With the exception of Section 2, Substitute Senate Bill 5734 is approved.

Respectfully submitted,

Christine O. Gregoire
Governor

SSB 5738
C 317 L 09

Requiring the office of the superintendent of public instruction to review annual school district compliance reports.

By Senate Committee on Early Learning & K-12 Education (originally sponsored by Senators King, McAuliffe, Holmquist, Swecker, Oemig, Haugen, Kauffman, Honeyford and Tom).

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

Background: Under current law, the Office of Superintendent of Public Instruction (OSPI) is authorized to establish a longitudinal student data system for and on behalf of Washington school districts. This is the Comprehensive Education Data and Research System (CEDARS).

In 2007 the Legislature directed OSPI to conduct a feasibility study on expanding CEDARS. The report was due to the Legislature on November 1, 2008. One of the recommendations is to "build new reports and queries based on stakeholder needs."

Summary: Within existing resources, OSPI must review all annual compliance reports required of school districts. OSPI must make recommendations about which reports should be (1) discontinued; (2) integrated into CEDARS; or (3) maintained in their current form. OSPI must also recommend which federal reporting requirements may be used to meet state reporting requirements in order to avoid duplication of reports. By December 1, 2009, OSPI must provide a final report on the status of the annual compliance reports to the Legislature.

Votes on Final Passage:

Senate	47	0	
House	98	0	(House amended)
Senate	47	0	(Senate concurred)

Effective: July 26, 2009

SB 5739
C 59 L 09

Revising provisions relating to renewing a concealed pistol license by members of the armed forces.

By Senators King, Hobbs, Holmquist, Kastama, Swecker, Sheldon, Morton, Shin, Berkey and Honeyford.

Senate Committee on Government Operations & Elections
House Committee on Judiciary

Background: A concealed pistol license (CPL) is required when an individual carries a pistol concealed on his or her person. The fee for an initial CPL is $36 plus additional charges imposed by the Federal Bureau of Investigation, and it is valid for five years. The renewal fee for a CPL is $32, and an application for renewal may be made up to 90 days before or after the expiration date of the CPL. A renewal made after the expiration of the CPL carries a $10 penalty in addition to the renewal fee. A licensee that has not renewed the CPL within 90 days after the expiration period must reapply for a new license.

Summary: The $10 penalty, for renewal of a CPL after expiration, does not apply to members of the armed forces who are serving outside the state of Washington when his or her CPL expires. Application for renewal must be made within 90 days of returning to Washington State.

Votes on Final Passage:

Senate	47	0
House	97	0

Effective: July 26, 2009

ESSB 5746
C 454 L 09

Modifying sentencing provisions for juveniles adjudicated of certain crimes.

By Senate Committee on Human Services & Corrections (originally sponsored by Senator Hargrove).

Senate Committee on Human Services & Corrections
House Committee on Human Services

Background: In juvenile offender matters, prior felony adjudications count as one point each on the juvenile disposition grid. Each prior violation, misdemeanor, or gross misdemeanor adjudication counts as one-fourth point. A violation may include any act or omission, which if committed by an adult, must be proved beyond a reasonable doubt, and is punishable by sanctions that do not include incarceration.

Taking a Motor Vehicle Without Permission – First Degree. If a juvenile is adjudicated of the above offense, the court must impose the following minimum sentence:

- prior criminal history score of 0 to 1/2 point – standard sentence range of no less than five days of

home detention, 45 hours of community restitution, and a $200 fine.
- prior criminal history score of 3/4 to 1-1/2 points – standard sentence range of no less than ten days of detention, 90 hours of community restitution, and a $400 fine.
- prior criminal history score of 2+ points – standard sentence range of no less than 15-36 weeks of confinement, seven days of home detention, four months of supervision, 90 hours of community restitution, and a $400 fine.

Theft of Motor Vehicle or Possession of Stolen Vehicle. If a juvenile is adjudicated of one of the above offenses, the court must impose the following minimum sentence:
- prior criminal history score of 0 to 1/2 point – standard sentence range that includes either: no less than five days of home detention and 45 hours of community restitution or no home detention and 90 hours of community restitution.
- prior criminal history score of 3/4 to 1-1/2 points – standard sentence range that includes no less than ten days of detention, 90 hours of community restitution, and a $400 fine.
- prior criminal history score of 2+ points – standard sentence range that includes no less than 15 to 36 weeks of confinement, seven days of home detention, four months of supervision, 90 hours of community restitution, and a $400 fine.

Taking Motor Vehicle without Permission – Second Degree. If a juvenile is adjudicated of the above offense, the court must impose the following minimum sentence:
- prior criminal history score of 0 to 1/2 point – standard sentence range that includes either no less than one day of home detention, one month of community supervision, and 15 hours of community restitution or no home detention, one month of supervision, and 30 hours of community restitution.
- prior criminal history score of 3/4 to 1-1/2 points – standard sentence range that includes no less than one day of detention, two days of home detention, two months of supervision, 30 hours of community restitution, and a $150 fine.
- prior criminal history score of 2+ points – standard sentence range of no less than three days of detention, seven days of home detention, three months of supervision, 45 hours of community restitution, and a $150 fine.

Juveniles charged with a criminal offense and prosecuted in adult court must be prosecuted in adult court for any subsequent offense. This rule applies whether or not the juvenile was actually previously convicted in adult court.

There are three ways by which a juvenile accused of committing an offense can be prosecuted in adult court: discretionary decline hearing; mandatory decline hearing; and statutory exclusion.

Discretionary Decline Hearing. The prosecutor or the juvenile may make a motion requesting that the juvenile be transferred to adult court. The court will set the matter for a hearing on whether the juvenile court should decline jurisdiction in the case. The court may also, on its own motion, set the matter for a decline hearing.

Mandatory Decline Hearing. A hearing on whether a juvenile should be prosecuted in adult court must be held in the following instances:
- the juvenile is 15, 16, or 17 years old and is alleged to have committed a class A felony or an attempt, solicitation, or conspiracy to commit a class A felony;
- the juvenile is 17 and is alleged to have committed assault in the 2nd degree, extortion in the 1st degree, indecent liberties, child molestation in the 2nd degree, kidnapping in the 2nd degree, or robbery in the 2nd degree; or
- the juvenile is alleged to have committed an escape during the time that the juvenile is serving a minimum juvenile sentence to age 21.

After the decline hearing, the court may order the case transferred to adult court if it finds that adult court prosecution would be in the juvenile's or the public's best interest.

Statutory Exclusion. Adult court jurisdiction is automatic when a juvenile is 16 or 17 years old on the date the alleged offense is committed and the alleged offense is one of the following:
- a serious violent offense;
- a violent offense and the juvenile has a criminal history consisting of one or more prior serious offenses, two or more prior violent offenses, or any class A felony, any class B felony, vehicular assault or manslaughter in the 2nd degree, all of which must have been committed after the juvenile's 13th birthday and prosecuted separately;
- robbery in the 1st degree, rape of a child in the 1st degree, or a drive-by shooting;
- burglary in the 1st degree committed on or after July 1, 1997, and the juvenile has a criminal history of one or more prior felony or misdemeanor offenses; or
- any violent offense committed on or after July 1, 1997, and the juvenile is alleged to have been armed with a firearm.

Summary: The standard sentence ranges are changed for the following offenses.

Taking a Motor Vehicle Without Permission - First Degree. If a juvenile is adjudicated of the above offense, the court must impose the following minimum sentence:

- prior criminal history score of 0 to 1/2 point – standard sentence range of three months of community supervision, 45 hours of community restitution, a $200 fine, and a requirement that the juvenile is confined to a private residence for no less than five days. The juvenile may be subject to electronic monitoring where available. If the juvenile is enrolled in school, the confinement must be served on nonschool days.
- prior criminal history score of 3/4 to 1-1/2 points – standard sentence range of no less than ten days of detention, six months of community supervision, 90 hours of community restitution, and a $400 fine.
- prior criminal history score of 2+ points – standard sentence range of no less than 15-36 weeks of commitment to Juvenile Rehabilitation Administration (JRA), four months of parole supervision, 90 hours of community restitution, and a $400 fine.

Theft of Motor Vehicle or Possession of Stolen Vehicle. If a juvenile is adjudicated of one of the above offenses, the court must impose the following minimum sentence:

- prior criminal history score of 0 to 1/2 point – standard sentence range that includes no less than three months of community supervision, 45 hours of community restitution, a $200 fine, and either 90 hours of community restitution or a requirement that the juvenile remain at home such that the juvenile is confined to a private residence for no less than five days. The juvenile may be subject to electronic monitoring where available;
- prior criminal history score of 3/4 to 1-1/2 points – standard sentence range that includes no less than six months of community supervision, no less than ten days of detention, 90 hours of community restitution, and a $400 fine.
- prior criminal history score of 2+ points – standard sentence range that includes no less than 15 to 36 weeks of commitment to JRA, four months of parole supervision, 90 hours of community restitution, and a $400 fine.

Taking Motor Vehicle without Permission - Second Degree. If a juvenile is adjudicated of the above offense, the court must impose the following minimum sentence:

- prior criminal history score of 0 to 1/2 point – standard sentence range that includes three months of community supervision, 15 hours of community restitution, and a requirement that the juvenile is confined to a private residence for no less than one day. The juvenile may be subject to electronic monitoring where available. If the juvenile is enrolled in school, the confinement must be served on nonschool days.
- prior criminal history score of 3/4 to 1-1/2 points – standard sentence range that includes no less than one day of detention, three months of supervision, 30 hours of community restitution, a $150 fine, and a requirement that the juvenile is confined to a private residence for no less than two days. The juvenile may be subject to electronic monitoring where available. If the juvenile is enrolled in school, the confinement must be served on nonschool days.
- prior criminal history score of 2+ points – standard sentence range of no less than three days of detention, six months of community supervision, 45 hours of community restitution, a $150 fine, and a requirement that the juvenile is confined to a private residence for no less than seven days. The juvenile may be subject to electronic monitoring where available. If the juvenile is enrolled in school, the confinement must be served on nonschool days.

Juveniles prosecuted in adult court who are later charged with an offense that is not an offense for which there is an automatic or statutory adult court jurisdiction requirement are to be prosecuted in adult court unless the juvenile was convicted of a lesser charge or acquitted in the previous adult court prosecution or is not otherwise under adult court jurisdiction.

A hearing on whether a juvenile should be prosecuted in adult court must be held in the following instances:

- the juvenile is 16 or 17 years old and is alleged to have committed a class A felony or an attempt, solicitation, or conspiracy to commit a class A felony;
- the juvenile is 17 and is alleged to have committed assault in the 2nd degree, extortion in the 1st degree, indecent liberties, child molestation in the 2nd degree, kidnapping in the 2nd degree, or robbery in the 2nd degree; or
- the juvenile is alleged to have committed an escape during the time that the juvenile is serving a minimum juvenile sentence to age 21.

Votes on Final Passage:

Senate	48	0	
House	97	0	(House amended)
Senate	46	1	(Senate concurred)

Effective: July 26, 2009

SSB 5752
C 177 L 09

Regarding cost recovery in disciplinary proceedings involving dentists.

By Senate Committee on Health & Long-Term Care (originally sponsored by Senators Marr, Pflug, Hobbs and Keiser).

Senate Committee on Health & Long-Term Care
House Committee on Health Care & Wellness
House Committee on Health & Human Services Appropriations

Background: The Dental Quality Assurance Commission (DQAC) was established to regulate the competency and quality of professional dentist health care providers by establishing, monitoring, and enforcing qualification for licensure, continuing education, standards of practice, competency, and discipline. The administrative expenses of every health care profession, including dentists, are paid for by that profession's licensing fees. Disciplinary action accounts for approximately 85 percent of the administrative expenses of the commission. Expenses incurred for disciplinary activities include investigations and legal analysis, board member time, outside experts, Attorney General advice and prosecution, records collection and reproduction, staff attorneys, health law judges, and hearing room rentals. Licensing fees are determined by the number of members in the licensed profession and the level and complexity of disciplinary activity.

Summary: When DQAC sanctions or fines a dentist in a disciplinary hearing, the commission must assess a partial recovery hearing fee in the amount of $6,000 for each full day hearing. It must also assess a partial recovery of investigative and hearing preparation expenses up to $10,000. The commission can waive the hearing fee if its imposition would cause an undue hardship for the dentist or it would be manifestly unjust. In the event a dentist pursues judicial review at the superior court, appellate court, or Supreme Court level, a partial cost recovery fee of $25,000 must be assessed at each level of review. The reviewing court is permitted to waive the hearing fee for undue hardship or manifest injustice. A partial recovery fee is limited to $2,000 if the disciplinary action is resolved through a stipulated informal disposition.

All fees are to be deposited in that portion of the health professions account allocated to the commission.

Votes on Final Passage:

Senate	48	0
House	96	2

Effective: July 26, 2009

SSB 5765
C 208 L 09

Regarding the fruit and vegetable district fund.

By Senate Committee on Agriculture & Rural Economic Development (originally sponsored by Senator Schoesler).

Senate Committee on Agriculture & Rural Economic Development
House Committee on Agriculture & Natural Resources
House Committee on General Government Appropriations

Background: The Fruit and Vegetable Inspection Account contains fees collected by the Department of Agriculture to recover the costs of inspections or certifications of fruits and vegetables. These inspection fees are used to fund the Fruit and Vegetable Inspection Program and are not subject to legislative appropriation.

Horticultural pest and disease boards are formed at the county level to do control work for pests that impact commercial fruit crops. The Department of Agriculture performs surveys to detect the presence of pests but the control work is performed by the local horticultural pest and disease boards.

There is concern about the impact that the apple maggot would have on the commercial fruit crop. Funds that have been previously transferred for this purpose have been expended. Authority is sought to transfer additional funds from the Fruit and Vegetable Inspection Account to the Agricultural Local Fund for disbursement to local horticultural pest and disease boards to do work to control infestations of apple maggot so that they do not affect commercially-produced apples.

Summary: One hundred and fifty thousand dollars is transferred from the Fruit and Vegetable Inspection Account to the Plant Pest Account within the Agricultural Local Fund. The amount transferred is to be derived from fees collected from state inspections of tree fruits and used solely for activities relating to the control of Rhagoletis pomonella (apple maggot) in the fruit and vegetable inspection district from which the fees were collected. The transfer of funds is to occur by September 1, 2009.

Any funds unexpended by June 30, 2013, must be transferred back to the Fruit and Vegetable Inspection Account.

Votes on Final Passage:

Senate	46	0
House	98	0

Effective: July 26, 2009

SB 5767
C 118 L 09

Making nonsubstantive changes clarifying outdoor burning provisions of the Washington clean air act.

By Senators Rockefeller, Pridemore, Regala and Shin.

Senate Committee on Environment, Water & Energy
House Committee on Environmental Health

Background: The Washington Clean Air Act (CAA, RCW chapter 70.94), enacted in 1967 and revised many times, authorizes the Department of Ecology and local air pollution control authorities to regulate air quality. It is suggested that some CAA provisions – including limits on outdoor burning of residential yard waste, land clearing debris, agricultural material such as crop residue, and controlled burning in forests – have become difficult to grasp without careful analysis, and should be rewritten to improve clarity.

Summary: An intent section provides that the purpose of the act is to make technical, nonsubstantive changes to outdoor burning provisions of the CAA to improve clarity, and that no provision may be construed as a substantive change to the CAA.

CAA outdoor burning provisions are consolidated and reorganized for codification in a new "Outdoor Burning" subchapter. The act makes technical, nonsubstantive changes to current law by:

- reorganizing existing sections and subsections and creating new sections and subsections;
- deleting obsolete and inaccurate language and references to previously-repealed sections;
- updating archaic forms; and
- incorporating language from another RCW title to clarify existing requirements.

Votes on Final Passage:

Senate	48	0
House	98	0

Effective: July 26, 2009

ESSB 5768
C 458 L 09

Concerning the state route number 99 Alaskan Way viaduct replacement project.

By Senate Committee on Transportation (originally sponsored by Senators Murray, Jarrett, Swecker, Haugen and Kohl-Welles).

Senate Committee on Transportation
House Committee on Transportation

Background: The State Route 99 (SR 99) Alaskan Way Viaduct is a major arterial serving significant numbers of freight and passenger vehicles through downtown Seattle. The facility sustained damage during the 2001 Nisqually earthquake, and is susceptible to damage, closure, or catastrophic failure from additional earthquakes and tsunamis. During a recent 13-month period, the Washington State Department of Transportation (WSDOT) facilitated a stakeholder advisory committee that analyzed various designs to replace the Viaduct. On January 13, 2009, the Governor, the City of Seattle, and King County agreed to a deep bore tunnel design, with four general purpose lanes in a stacked formation, to replace the Alaskan Way Viaduct.

Summary: The Legislature finds that replacing the existing Alaskan Way Viaduct is a matter of urgency, and that the state must expedite the environmental review and design processes to replace the structure with a deep bore tunnel. The tunnel must be located under First Avenue from the vicinity of the sports stadiums in Seattle to Aurora Avenue north of the Battery Street tunnel, and must include four general purpose lanes in a stacked formation.

The SR 99 Alaskan Way Viaduct replacement project finance plan must include state funding not to exceed $2.4B and must also include no more than $400M in toll revenue. These funds must be used solely to build a replacement tunnel and to remove the existing viaduct structure. State funding may not be used for any utility relocation costs, or for central seawall or waterfront promenade improvements. The City of Seattle must bear all city utility relocation costs associated with the state work on the viaduct replacement project. If any costs exceed $2.8B, the extra costs must be borne by property owners in the Seattle area who benefit from the tunnel project.

The WSDOT must conduct a traffic and revenue study for a SR 99 deep bore tunnel for the purpose of determining the facility's potential to generate toll revenue. The study results are due to the Governor and the Legislature by January 2010.

Votes on Final Passage:

Senate	43	6	
House	53	43	(House amended)
Senate	39	9	(Senate concurred)

Effective: July 1, 2009

SSB 5776
C 179 L 09

Regarding student fees, charges, and assessments.

By Senate Committee on Higher Education & Workforce Development (originally sponsored by Senators McDermott, Schoesler, Fairley, Oemig, Jarrett and Kohl-Welles).

Senate Committee on Higher Education & Workforce Development
House Committee on State Government & Tribal Affairs

Background: In addition to tuition fees, students at institutions of higher education are charged services and activities fees. These fees are dedicated to fund student activities and programs as well as for repaying bonds and other indebtedness for facilities such as dormitories, hospitals, dining halls, parking facilities, and student, faculty, and employee housing. Students have a strong voice in recommending budgets for services and activities fees through the Services and Activities Fee Committee.

Generally, the use of public funds for lobbying is prohibited. This does not preclude an agency officer or employee from communicating with the Legislature for requests for legislative action or appropriations necessary for the business of the agency, or communicating on matters pertaining to the agency. Agencies that expend public funds for restricted lobbying purposes are required to file quarterly statements with the Public Disclosure Commission.

All six public baccalaureate institutions in the state of Washington are members of the Washington Student Lobby (WSL). In 2007 Bellevue Community College became the first two-year school to join. Other community colleges, technical colleges, and branch campuses often participate as non-voting members. Membership in the WSL is required for a student body to be able to vote and receive the legislative support services provided by the WSL.

Summary: Voluntary student fees for each academic year, may be created or increased by a majority vote of the student government or its equivalent or by a referendum presented to the student body. The use of those fees is not subject to the statute governing the use of public funds for lobbying.

Votes on Final Passage:

Senate	42	6
House	60	38

Effective: July 26, 2009

SSB 5777
C 555 L 09

Concerning the Washington state insurance pool.

By Senate Committee on Health & Long-Term Care (originally sponsored by Senators Murray and Parlette).

Senate Committee on Health & Long-Term Care
House Committee on Health Care & Wellness

Background: In the individual health insurance market, persons applying for coverage must first take the standard health questionnaire. If their score places them in the 8 percent of highest cost cases the health carrier may reject them for coverage. At that point the person is eligible for coverage through the Washington State Health Insurance Pool (WSHIP), the state's high risk pool. WSHIP is established in statute as a nonprofit entity, funded by assessments on all commercial insurers licensed in Washington and the state's self-insured medical plan operated by the Health Care Authority. The Board of the WSHIP is required to recertify the health screening questionnaire every 18 months.

The 2008 Legislature modified WSHIP eligibility for those persons who are eligible for the medical assistance program. The language was included in another bill modifying medical assistance eligibility that has a delayed effective date and a null and void clause if not funded in the next biennial budget. WSHIP eligibility for Medicare eligible enrollees has not been modified to reflect the additional coverage choices available in Medicare. The WSHIP Board has expressed concerns with the pool's funding mechanism, as more employers move from the fully-insured business to self-insured plans that do not contribute to the assessments.

Summary: The Board of WSHIP will recertify the standard health questionnaire every 36 months rather than every 18 months. Eligibility for the program is modified for a Medicare-eligible person applying for pool coverage after August 1, 2009. New Medicare-eligible enrollees are eligible if they do not have access to a reasonable choice of at least three Medicare Part C plans offered by health maintenance organizations or preferred provider organizations, and that have had established provider networks for at least five years in their county of residence.

The 2008 eligibility change for medical assistance enrollees is inserted, repeating the language subject that will be null and void with passage of a new biennial budget. The Board of WSHIP must conduct a study to identify a stable, sustainable funding source for the operation of the pool. The Board is authorized to solicit funding to conduct the study, and must report to the Legislature by December 15, 2009.

Votes on Final Passage:

Senate	43	0	
House	96	0	(House amended) (Senate refused to concur)
House	95	0	(House amended)
Senate	49	0	(Senate concurred)

Effective: July 26, 2009

SSB 5793
C 128 L 09

Concerning a single-occupancy farm conveyance.

By Senate Committee on Labor, Commerce & Consumer Protection (originally sponsored by Senators Schoesler, Hewitt, Honeyford and Morton).

Senate Committee on Labor, Commerce & Consumer Protection
House Committee on Commerce & Labor

Background: All privately and publicly owned elevators and other conveyances must have operating permits and

are subject to annual safety inspections by the Department of Labor and Industries (L&I). Certain lifts and hoists erected for use during construction work are exempt from the permit and inspection requirements.

Summary: Single-occupancy farm conveyances used exclusively by a farm operator and the farm operator's family members are exempt from L&I permit and inspection requirements. Single-occupancy farm conveyances are hand-powered counterweighted single-occupancy conveyances that travel vertically in a grain elevator and are located on farms that do not accept commercial grain.

Votes on Final Passage:

Senate	45	0
House	98	0

Effective: July 26, 2009

SSB 5795

C 567 L 09

Modifying the use of funds from the Tacoma Narrows toll bridge account.

By Senate Committee on Transportation (originally sponsored by Senators Kilmer and Franklin).

Senate Committee on Transportation
House Committee on Transportation

Background: The Tacoma Narrows Toll Bridge Account houses all the revenues associated with the bridge, including toll revenue. Authorized expenditures from this account include any required costs to finance, operate, maintain, manage, and repair the facility.

Summary: The Tacoma Narrows Toll Bridge Account may only be used to pay required costs that contribute directly to the financing, operation, maintenance, management, and repair of the facility. The account may not be used for expenditures that do not contribute directly to the financing, operation, maintenance, management, and emergency repairs of the facility. The Transportation Commission determines by rule what is an authorized expense and what is an unauthorized expense.

The Washington State Department of Transportation provides quarterly expenditure reports to the public on the department's website, using current resources.

Votes on Final Passage:

Senate	45	0	
House	98	0	(House amended)
			(Senate refused to concur)
House	95	0	(House receded)

Effective: July 26, 2009

SSB 5797

C 178 L 09

Regarding exemptions from solid waste handling permit requirements.

By Senate Committee on Agriculture & Rural Economic Development (originally sponsored by Senators Haugen, Ranker, Brandland and Hatfield).

Senate Committee on Agriculture & Rural Economic Development
House Committee on Ecology & Parks
House Committee on General Government Appropriations

Background: Anaerobic digesters are structures designed to compost (or "digest") livestock manure and other organic waste while limiting access to oxygen, creating methane and other gases that are then burned as fuel to generate electricity. Use of organic solid waste (including food processing waste) as feedstock in anaerobic digesters has raised issues regarding applicability of the state Solid Waste Management Act, which includes several permitting requirements for handling and disposal of solid waste.

The Natural Resources Conservation Service (NRCS), an agency of the U.S. Department of Agriculture (USDA), provides technical assistance to private land owners and managers. The NRCS has adopted standards regarding design, construction, and operation of anaerobic digesters and waste storage facilities.

Summary: An anaerobic digester that complies with certain conditions is exempt from solid waste permitting requirements. To qualify for the exemption, the digester or its owner or operator:

- must provide the Department of Ecology (DOE) or jurisdictional health department with notice of intent to operate under the exemption conditions, and comply with guidelines issued by DOE and the Washington State Department of Agriculture (WSDA);
- must process at least 50 percent livestock manure;
- may process no more than 30 percent imported organic waste-derived material and comply with restrictions regarding use of that material as feedstock;
- must comply with NRCS design and operating standards;
- must allow inspection by DOE or the jurisdictional health department to verify compliance with exemption conditions; and
- must submit an annual report to DOE or the jurisdictional health department concerning use of nonmanure feedstock and any required compliance testing.

Waste Used as Feedstock. "Organic waste-derived material," broadly defined to include varied vegetative, wood, food, and composting wastes, with exceptions and

restrictions, originating off of the farm or other site where the digester is being operated must:

- be preconsumer in nature;
- be fed into the digester within 36 hours of receipt at the digester;
- if likely to contain animal byproducts, be previously source-separated at a facility licensed to process food;
- if containing bovine processing waste, be from animals approved by USDA inspectors and not contain certain risk material;
- if containing sheep carcasses or sheep processing waste, not be fed into the digester;
- be stored and handled to protect surface water and groundwater;
- be received or stored in structures complying with an NRCS standard, be approved by an NRCS representative, or meet certain construction industry standards; and
- be managed to prevent migration of odors beyond property boundaries and minimize attraction of flies, rodents, and other vectors.

Digestate. "Digestate," defined as substances remaining following anaerobic digestion of organic material in a digester, must:

- be managed under a dairy nutrient management plan addressing management and use of digestate;
- meet certain compost quality standards or be sent to an off-site facility for further treatment to meet compost quality standards; or
- be processed or managed in an alternate manner approved by DOE.

Digestate managed under a dairy nutrient management plan addressing management and use of digestate is no longer considered a solid waste, and use of digestate from a digester that complies with exemption conditions is exempt from solid waste permitting requirements.

Guidelines. By August 1, 2009, DOE and WSDA, in consultation with the Department of Health, must issue guidelines for anaerobic codigestion of livestock manure and organic waste-derived material, explaining steps necessary to meet exemption conditions.

Failure to Comply. A digester that does not comply with exemption conditions may be subject to solid waste permitting requirements and penalties.

DOE may issue an order to a person violating an exemption condition and other, existing exemptions to solid waste permitting requirements to ensure compliance with conditions. Orders may be appealed to the Pollution Control Hearings Board under established procedures.

Votes on Final Passage:

Senate	46	1
House	97	0

Effective: July 26, 2009

SB 5804

C 247 L 09

Setting forth the circumstances under which a person qualifies for benefits when voluntarily leaving part-time work.

By Senators Keiser, Franklin, Kohl-Welles and Kline.

Senate Committee on Labor, Commerce & Consumer Protection

House Committee on Commerce & Labor

Background: An unemployed individual will receive unemployment insurance (UI) benefits if that individual meets eligibility requirements, which include having worked at least 680 hours in the last year, being unemployed through no fault of the individual, being able and available to work, and actively searching for work. An individual who voluntarily left work for one of the statutorily listed good cause quit provisions is considered to be unemployed through no fault of the individual.

An individual who leaves work voluntarily without good cause will be disqualified from receiving UI benefits. The disqualification period lasts for seven weeks, and until the individual obtains bona fide employment and has earned sufficient wages.

Summary: An individual who was simultaneously employed in full-time and part-time employment will not be disqualified from UI benefits if the individual is otherwise eligible for benefits from the loss of the full-time employment, voluntarily quit the part-time employment before the loss of full-time employment, and did not have prior knowledge that he or she would be separated from full-time employment.

Votes on Final Passage:

Senate	47	0
House	96	0

Effective: July 26, 2009

ESSB 5808

C 60 L 09

Concerning the annexation of unincorporated areas served by fire protection districts.

By Senate Committee on Government Operations & Elections (originally sponsored by Senator Fairley).

Senate Committee on Government Operations & Elections

House Committee on Local Government & Housing

Background: When a fire protection district is annexed or incorporated, an employee of the fire protection district may transfer employment to the civil service system of the city or town fire department when three conditions exits. First, the employee worked exclusively in performing the duties, powers, and functions of the fire department at the time the annexation or incorporation occurred. Second,

the employee is separated from employment with the district as a result of the annexation or incorporation. And third, the employee is able to perform the duties and meets the qualifications of the position to be filled.

Once the Civil Service Commission receives an employee's written request to transfer employment the transfer must be made. Transferred employees are placed on probation for the same period as new employees of the fire department of the annexing city or town. An employee on probation can be removed from his or her position for virtually any reason unless the individual has already completed a probationary period as a firefighter prior to the transfer, in such case termination must be for cause.

During this probationary period the employee is eligible for promotion before the probationary period ends; receives a salary at least equal to that received by new employees; and will have the rights, benefits, and privileges that the employee would be entitled to as a member of the city or town fire department from the beginning of employment with the district. Accrued benefits are transferable so long as the receiving agency offers comparable benefits.

Only transferring employees that are needed will be placed on the payroll. The fire department determines the need and employees are taken in order of seniority. Employees who are not transferred and were not needed are placed on a re-employment list, in order of seniority, for future employment in the civil service system. Employees placed on the re-employment list remain on that list for a period no longer than three years unless there is an agreement providing otherwise.

Classified cities are organized under RCW Title 35. Classified cities have multiple processes to annex territory, including a resolution/election method, a petition/election method, and a direct petition method. Each method of annexation must follow different processes set forth in statute.

Under the direct petition method of annexation, the petition for annexation must be signed by owners of not less than 75 percent of the assessed value of the property subject to the annexation.

Summary: If any portion of a fire protection district is proposed for annexation to or incorporation into a city, code city, or town, both the fire protection district and the city, code city, or town, must jointly inform the employees of the fire protection district about hires, separations, terminations, and any other changes in employment that are a direct consequence of annexation or incorporation at the earliest reasonable opportunity.

Upon transfer, unless an agreement for different terms of transfer is reached between the collective bargaining representatives of the transferring employees and the participating fire protection jurisdictions, an employee is entitled to the employee rights, benefits, and privileges to which that employee would have been entitled as an employee of the fire protection district, including rights to:

- compensation at least equal to the level of compensation at the time of transfer, unless the employee's rank and duties have been reduced as a result of the transfer;
- retirement, vacation, sick leave, and any other accrued benefit;
- promotion and service time accrual; and
- the length of terms of probationary periods, including no requirement for an additional probationary period if one had been completed before the transfer date.

Benefits, rights, and privileges received by a transferring employee, unless an agreement for different terms of transfer are reached, are subject to collective bargaining at the end of the current bargaining period for the jurisdiction to which the employee has transferred. Such bargaining must take into account the years of service the transferring employee accumulated before the transfer and must be treated as if those years of service occurred in the jurisdiction to which the employee has transferred.

Upon the written request of a fire protection district, cities and towns annexing territory must, prior to completing the annexation, issue a report regarding the likely effects that the annexation and any associated asset transfers may have upon the safety of residents within and outside the proposed annexation area. The report must address, but is not limited to, the provisions of fire protection and emergency medical services within and outside of the proposed annexation area. At least 5 percent of the assessed valuation of a fire protection district must be annexed for a report to be requested.

An annexation by a city or town that is proposing to annex territory served by one or more fire protection districts may be accomplished by ordinance after entering into an interlocal agreement (ILA) with the county and the fire protection district or districts that have jurisdiction over the territory proposed for annexation. The ILA must describe the boundaries of the territory proposed for annexation.

A supplemental ILA may be negotiated to address issues for a specific annexation if the issues are not sufficiently addressed in a general ILA. An interlocal annexation agreement must include a statement of the goals of the agreement. Goals must include, but are not limited to:

- the transfer of revenues and assets between the fire protection districts and the city or town;
- a consideration and discussion of the impact to the level of service of annexation on the unincorporated area and an agreement that the impact on the ability of the fire protection and emergency medical services within the incorporated area must not be negatively impacted at least through the budget cycle in which the annexation occurs;

- a discussion with fire protection districts regarding the division of assets and its impacts to citizens inside and outside the newly annexed area;
- community involvement, including an agreed upon schedule of public meetings in the area proposed for annexation; and
- revenue sharing, if any.

If the fire protection district, annexing city or town, and county reach an agreement on the enumerated goals, the annexation ordinance may proceed and is not subject to referendum. If only the annexing city or town and county reach an agreement on the enumerated goals, the city or town and county may proceed with annexation under the ILA, but the annexation ordinance is subject to referendum for 45 days after its passage.

Cities and towns conducting annexations of all or part of fire protection districts are required, at least through the budget cycle in which the annexation occurs, or the following budget cycle if the annexation occurs in the last half of the current budget cycle in which the annexation occurs, maintain existing fire protection and emergency services response times in the newly annexed areas consistent with response times recorded prior to the annexation as defined in the previous annual report for the fire protection district and as reported in statute.

The property ownership signature requirement for annexation petitions under the direct petition method of annexation for classified cities is reduced from 75 percent to 60 percent.

Language is added to the ILA process to require a response to a request to enter an ILA within 45 days. A party must respond in the affirmative or negative and a negative response must state the reasons the party does not want to enter an ILA process.

A failure to respond within the 45 days will be treated as an affirmative response and the ILA process will proceed. Additional technical changes are made.

Votes on Final Passage:

Senate	43	2
House	63	34

Effective: July 26, 2009

E2SSB 5809

PARTIAL VETO

C 566 L 09

Revising unemployment compensation and workforce training provisions.

By Senate Committee on Ways & Means (originally sponsored by Senator Hargrove).

Senate Committee on Labor, Commerce & Consumer Protection
Senate Committee on Ways & Means
House Committee on Commerce & Labor
House Committee on Ways & Means

Background: Training benefits are additional unemployment insurance (UI) benefits paid to workers who have lost their job and are attending an approved full-time vocational training program. The total training benefit amount is 52 times the weekly benefit amount, minus any regular UI benefits paid.

A training program must be a vocational program at an educational institution that is targeted to training for a high demand occupation, is likely to enhance the individual's marketable skills and earning power, and meets criteria for performance developed by the Workforce Training and Education Coordinating Board (WTECB).

Summary: Funds appropriated in the 2009-2011 Operating Budget will be distributed by the Employment Security Department (ESD) to workforce development councils (WDCs) as a match to federal or local workforce investment acts funds that provide specifically for the education and training of individuals in high-demand occupations.

Eligible individuals are those who are eligible for services under the federal Workforce Investment Act adult or dislocated worker programs, or who are receiving or have exhausted entitlement to UI benefits and are enrolled in a high-demand occupation training program.

Funds used to increase capacity for training eligible individuals for high demand occupations will receive a 75 percent match, and funds used to provide financial aid for students training for high demand occupations will receive a 25 percent match. Individuals training for occupations in the aerospace, energy efficiency, forest product, or health care industries will be given priority, so long as the priority is consistent with federal law.

ESD is required to do the following:

- develop guidelines on allowable uses of incentive funds;
- encourage an increase in education and training through grants and local WDC plans;
- encourage collaboration between WDCs and other local recipients of federal funding for the purposes of increasing training and supporting those who receive training;
- require WDCs to determine and report on the number of participants who receive education and training;
- monitor and report on the use of funds and identify specific actions that can be taken to ensure that WDCs are meeting the intent of the legislation; and
- periodically bring together representatives of the WTECB, the State Board for Community and Technical Colleges, WDCs, business, labor, and the Legislature to review development and implementation of the legislation and related programs.

Votes on Final Passage:

Senate	48	1	
House	97	0	(House amended)
			(Senate refused to concur)
House	63	31	(House amended)
Senate	48	0	(Senate concurred)

Effective: May 19, 2009

Partial Veto Summary: The Governor vetoed the section directing the Governor to use 10 percent of statewide funds made available for activities under the Workforce Investment Act in Title VIII of the American Recovery and Reinvestment Act of 2009 as incentive funds.

VETO MESSAGE ON E2SSB 5809

May 19, 2009

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I have approved, except for Section 4, Engrossed Second Substitute Senate Bill 5809 entitled:

"AN ACT Relating to workforce employment and training."

I am vetoing Section 4 of this bill. The policy intent of the bill can be accomplished without the Legislature directing how the Governor's discretionary Workforce Investment Act 10% fund is used. Although federal law does not prohibit the state Legislature from directing the Workforce Investment Act 10% funds, the approach taken by this bill would set an undesirable precedent.

For these reasons, I have vetoed Section 4 of Engrossed Second Substitute Senate Bill 5809.

With the exception of Section 4, Engrossed Second Substitute Senate Bill 5809 is approved.

Respectfully submitted,

Christine O. Gregoire
Governor

ESB 5810

C 292 L 09

Concerning foreclosures on deeds of trust.

By Senators Kauffman, Berkey, Shin, Franklin, Keiser, Tom and Kohl-Welles; by request of Governor Gregoire.

Senate Committee on Financial Institutions, Housing & Insurance
House Committee on Judiciary

Background: A deed of trust is a type of security interest in real property. A deed of trust is essentially a three-party mortgage. The borrower (grantor) grants a deed creating a lien on the real property to a third party (the trustee) who holds the deed in trust as security for an obligation due to the lender (the beneficiary).

The major difference between a deed of trust and a mortgage is that the deed of trust may be nonjudicially foreclosed, whereas a mortgage may only be foreclosed judicially. If the grantor defaults on the loan obligation, the trustee may foreclose on the real property as long as certain procedural and notice requirements are met.

The trustee of a deed of trust may be a domestic corporation, a title insurance company, an attorney, a professional corporation whose shareholders are licensed attorneys, an agency of the United States government, or a bank or savings and loan association. A trustee must resign at the request of a beneficiary, and the beneficiary may designate a successor trustee.

In order for a deed of trust to be nonjudicially foreclosed, the following requirements must be met: (1) the deed contains a power of sale and provides that the real property is not used principally for agricultural purposes; (2) a default has occurred which makes the power of sale operative; (3) the deed has been recorded; (4) a notice of default is sent at least 30 days before a notice of sale is recorded; and (5) no other action is pending to seek satisfaction of an obligation secured by the deed of trust.

To initiate foreclosure procedures the trustee must (1) file a notice of trustee's sale 90 days before the sale; (2) send notice of the sale to the grantor, beneficiary, and any other person with a recorded interest in the land; (3) post the notice on the property or personally serve any occupants; and (4) publish the notice of sale in a newspaper at specified dates.

The sale may not take place less than 190 days from the date of default. Any person other than the trustee may bid at the sale. After sale of the property there is no right of redemption and no right to a deficiency judgment.

The proceeds of the foreclosure sale are distributed first to the expenses of sale and the obligation secured by the deed of trust, and the surplus is deposited with the clerk of the court. Any interests or liens on the real property that are eliminated by the sale attached to the surplus proceeds.

Notice of trustee's sale must be given to occupants of property consisting of a single-family residence, condominium, cooperative, and dwelling with less than five units; the notice must identify personal property that may be sold and any other action that is pending to foreclose on another security; the notice must specify the potential effects of foreclosure on the occupants of the property; and there are two eight-day time periods during which the trustee must publish the notice of sale in a legal newspaper.

Summary: For deeds of trust made from January 1, 2003, to December 31, 2007, for owner-occupied, residential property, a 30-day extension is made to the current timeline for foreclosure. Thirty days must pass before the notice of default can be filed. The 30 days are measured from the time the lender contacts the borrower by letter and telephone, or satisfies due diligence requirements to contact the borrower, to work out a way to avoid foreclosure.

Obligations of the lender to the borrower are to advise the borrower of his or her right to request a subsequent meeting; to schedule that meeting to occur within 14 days;

and to give the borrower toll-free telephone numbers for contacting the Department of Financial Institutions, a Housing and Urban Development-certified counselor, and statewide civil legal aid.

The notice of default must include a declaration from the beneficiary that it contacted the borrower or used due diligence in attempting to do so. Actions by the lender to contact the borrower and the times at which these actions are to be taken and what constitutes due diligence are specified in detail.

Under certain circumstances the 30-day delay in filing the notice of default and the due diligence requirements need not be met.

Tenants in non-owner-occupied one- to four-unit residences must be notified at least 90 days in advance of the impending foreclosure sale, of the potential consequences to them, and their option to contact a lawyer, legal aid, or a housing counselor about their rights. Tenants living in foreclosed property must be given 60 days' written notice by the new owner before the tenants are removed from the property.

The trustee has a duty of good faith to the borrower, beneficiary, and grantor.

The claims of common law fraud and the trustee's failure materially to comply with the deed of trust law, are not waived by the borrower's failure to bring a lawsuit to enjoin a foreclosure sale of an owner-occupied one- to four-unit residence, but these claims must be asserted within two years of the foreclosure sale.

There must be proof that the beneficiary is the owner of the obligation secured by the deed of trust. A declaration by the beneficiary that the beneficiary is the actual holder is sufficient proof.

Existing law is conformed to the specific requirements of this act.

Provisions for the 30-day pre-notice of default period expire on December 31, 2012.

Votes on Final Passage:

Senate	33	16	
House	98	0	(House amended)
Senate	46	2	(Senate concurred)

Effective: July 26, 2009

ESSB 5811
C 491 L 09

Concerning foster child placements.

By Senate Committee on Human Services & Corrections (originally sponsored by Senators Hargrove, Stevens, Shin and Roach).

Senate Committee on Human Services & Corrections
House Committee on Early Learning & Children's Services
House Committee on Health & Human Services Appropriations

Background: Currently, when a child is placed in out-of-home care, the priority placement for the child is with a relative unless there is reasonable cause to believe that the health, safety, or welfare of the child would be jeopardized or that the efforts to reunify the parent and child would be hindered. Before the child is placed with a relative, the court must find that the person is willing and available to care for the child and be able to meet the child's special needs. The court must also find that the placement with a relative is in the child's best interests. The Department of Social and Health Services (DSHS) or a child placing agency (CPA) must document its effort to place the child with a relative or other suitable person requested by the parent.

The Administrative Office of the Courts (AOC) is currently statutorily required to develop and revise standard court forms and format rules for the use of litigants in dissolution, non-parental custody, and uniform parentage actions. The forms are available on AOC's website to be downloaded and are also available for purchase from the county court clerk's office.

AOC has on its website numerous forms in addition to the mandatory forms required to be used in dissolution, non-parental custody, and uniform parentage actions. The additional forms available on the website include those that can be used in juvenile court, domestic violence, and guardianship actions. Some local courts may require non-statewide forms to file a case and those are created and managed by the local court.

Currently, there is no statutory requirement that AOC produce, or that litigants use, specific forms in dependency cases.

Under current law, other than an attorney appointed to represent the child in a dependency matter, no party or other interested person is required to explain to the dependent child what responsibilities DSHS has toward the child and the child's family.

Summary: At shelter care, the court must inquire of the parents whether DSHS has discussed a relative placement with them and must determine what efforts have been made toward such a placement. If the court does not release the child to his or her parent, guardian, or custodian, the court must order placement with a relative or other suitable person.

The court must also determine whether placement with the relative or other suitable person is in the child's best interests.

At the dispositional phase of a dependency, if the child is not referred home, the child must be placed with a relative with whom the child has a relationship and is comfortable, or another suitable person as long as the relative or suitable person is willing, appropriate, and available to care for the child. The court is to consider the child's ex-

isting relationships and attachments when determining placement.

The Family and Children's Ombudsman may investigate allegations of retaliation. Upon conclusion of its investigation, the Ombudsman must provide DSHS with its written findings. DSHS must notify the Ombudsman within 30 days of receiving the Ombudsman's findings of any personnel action taken or to be taken against the department employee.

At a permanency planning hearing, if DSHS or the supervising agency is recommending a placement other than the child's current placement with a foster parent, relative, or other suitable person, the court must enter a finding as to the reasons for the recommendation in the change in placement.

Within current funding levels, DSHS must place on its public website a document listing the duties and responsibilities DSHS has to a child subject to a dependency petition. DSHS must include in the document at least the following:

- reasonable efforts toward reunification of the child with the child's family;
- sibling visits;
- parent-child visits, subject to the restrictions in RCW 13.34.136(2)(b)(ii);
- statutory preference for placement with a relative or other suitable person; and
- statutory preference for an out of home placement that allows the child to remain in the same school or school district, if practical and in the child's best interests.

DSHS must prepare the document with the assistance of a community-based organization and must update the document as needed.

Once the dependency is established, the social worker assigned to a child's case must provide the child aged 12 years and older with a document containing information that DSHS must place on its website. The social worker must also explain the contents of the document to the child and direct the child to DSHS's website for further information. The social worker must document that this requirement was met.

AOC must develop standard court forms and format rules for mandatory use by parties in dependency matters. The forms must be developed by November 1, 2009, and the mandatory use requirement goes into effect January 1, 2010. AOC has continuing responsibility to develop and revise the forms and format rules as appropriate.

Pursuant to rules established by AOC, a party may delete from the mandatory form unnecessary portions and may supplement the forms with additional material. If a party fails to use a mandatory form or follow the format rules, the case cannot be dismissed, a filing refused, or a pleading struck. However, the court may require the party to submit a corrected pleading and may impose terms.

AOC must distribute a master copy of the forms to all county court clerks. AOC and the clerks must distribute the forms upon request and may charge a fee for the cost of production and distribution of the forms. The forms may be distributed in hard copy or by electronic means.

At least six months before an adoption which qualifies for adoption support is finalized, DSHS must provide to the prospective adoptive parent, in writing, information describing the following:

- monthly cash payments to adoptive families;
- availability of children's mental health services for children receiving adoption support;
- process for accessing mental health services for children receiving adoption support;
- limits in one time cash payments; and
- payment for residential and group care is not available for children receiving adoption support.

Votes on Final Passage:

Senate	47	0	
House	98	0	(House amended)
Senate			(Senate refused to concur)
House	95	0	(House amended)
Senate	49	0	(Senate concurred)

Effective: July 26, 2009

SB 5832

C 61 L 09

Allowing the prosecution of sex offenses against minor victims until the victim's twenty-eighth birthday if the offense is listed in RCW 9A.04.080(1) (b)(iii)(A) or (c).

By Senators Kohl-Welles, Stevens and Marr; by request of Sentencing Guidelines Commission.

Senate Committee on Judiciary
House Committee on Public Safety & Emergency Preparedness

Background: Statutes of limitation are legislative enactments that prescribe the periods within which actions may be brought on certain claims or during which certain crimes may be prosecuted. Once the statutes of limitation have expired, they becomes an absolute bar to prosecution. It is widely agreed that the foremost rationale for statutes of limitation is the desirability of requiring that prosecutions be based upon reasonably fresh evidence so as to lessen the possibility of an erroneous conviction.

Some states have no statutes of limitation on felony offenses, no statutes of limitation on sex offenses, including child sex offenses, and some states have extended statutes of limitation for sex offenses. Washington has different statutes of limitation for different sex offenses and they vary based on the age of the victim.

Rape in the first degree and second degree when the victim is under 14 years of age at the time of the rape and

the rape is reported to a law enforcement agency within one year of its commission, may be prosecuted up to three years after the victim's eighteenth birthday or up to ten years after the rape's commission, whichever is later. Rape of a child in the first or second degree, child molestation in the first or second degree, statutory rape in the first or second degree, and indecent liberties when the person is incapable of consent due to mental incapacitation or physical helplessness may not be prosecuted more than three years after the victim's eighteenth birthday or more than seven years after commission of the offense, whichever is later. Statutory rape in the first and second degree were repealed in 1988.

In 2006 the Washington Legislature amended the law to include a DNA tolling provision. In any prosecution for a sex offense, defined in RCW 9.94A.030, the periods of time set out in statute pertaining to when an offense may be prosecuted run from the date of commission of the offense or one year from the date on which the identity of the suspect is conclusively established by DNA testing, whichever is later.

Summary: Rape in the first degree and second degree when the victim is under 14 years of age at the time of the rape and the rape is reported to a law enforcement agency within one year of its commission may be prosecuted up to the victim's twenty-eighth birthday. Rape of a child in the first, second, and third degree, child molestation in the first, second, and third degree, and incest may be prosecuted up to the victim's twenty-eighth birthday.

Votes on Final Passage:

Senate	48	0
House	97	0

Effective: July 26, 2009

SSB 5834
C 373 L 09

Regarding alcoholic beverage regulation.

By Senate Committee on Labor, Commerce & Consumer Protection (originally sponsored by Senators Kohl-Welles and Holmquist).

Senate Committee on Labor, Commerce & Consumer Protection
House Committee on Commerce & Labor

Background: The Liquor Control Board (LCB) regulates the manufacture, distribution, sale, and consumption of liquor in the state. There are a number of different retail licenses available, with differing powers and prohibitions depending on the type of license. During previous sessions, a group of industry stakeholders has worked together and proposed legislation making a number of changes regarding retail license powers and prohibitions.

Summary: Holders of a private club license may sell any bottled wine for off-premise consumption, rather than just wine vinted and bottled in Washington carrying a label exclusive to the license holder.

An out of state brewery or winery may appoint more than one authorized representative to market and sell its products. An out of state brewery or winery is no longer precluded from appointing an authorized representative if the brewery or winery holds a certificate of approval.

A domestic winery operating as a distributor of its own product may maintain one off-premise warehouse for distribution, subject to LCB approval.

A domestic winery or certificate of approval holder may perform pouring services for an individual holding a special occasion or a private club license.

Beer and/or wine specialty shop licensees can obtain an endorsement to sell beer in kegs or other containers capable of holding more than four gallons of liquid, subject to keg registration requirements.

Domestic distillers and accredited representatives of distillers or importers of spirits may donate spirits to 501(c)(3) and 501(c)(6) nonprofit charitable corporations.

Up to 20 cases of wine may be transferred annually from one licensed location to another so long as both locations are under common ownership.

The termination date on the ability of the Washington Beer Commission to receive gifts and grants from public or private sources is removed.

Checks, credit or debit cards, electronic funds transfers, and other similar methods can be used as cash payments, provided the electronic fund transfers are voluntary, conducted pursuant to a written agreement, are initiated no later than the first business day following delivery, and are completed as promptly as is practical but no later than five business days following delivery.

Votes on Final Passage:

Senate	46	1	
House	98	0	(House amended)
Senate	40	2	(Senate concurred)

Effective: July 26, 2009

SSB 5839
C 145 L 09

Regarding the administration of irrigation districts.

By Senate Committee on Agriculture & Rural Economic Development (originally sponsored by Senators Schoesler, Hatfield and Shin).

Senate Committee on Agriculture & Rural Economic Development
House Committee on Local Government & Housing

Background: Irrigation districts (districts), authorized by the first state Legislature in 1890, are among the oldest special purpose districts in Washington. Originally authorized to provide irrigation facilities and services, they have

since been authorized to provide: drainage systems; domestic water; electric energy generation, purchasing and distribution; fire hydrants; sewerage systems; residential energy conservation program assistance; heating systems; and street lighting. Among special purpose districts only port districts possess a greater range of powers.

Director Compensation. Districts are governed by an elected board of directors. Directors must each receive compensation for attending meetings and performing other district services. The amount, which may not exceed $90 per day, must be fixed by district resolution. Beginning in 2008, the $90 limit is adjusted every five years for inflation. State constitutional provisions prohibit compensation of public officers from being increased during their term of office, unless they do not fix their own compensation. It is suggested that compensation of directors be fixed in statute.

District Liability. Irrigation districts may be sued. A flooding incident in Nevada has raised concerns regarding potential district liability arising from defects in federally-constructed facilities that may be operated by a district.

Subdivision Review. Cities and counties must review and approve most proposed divisions of land into smaller parcels to insure that necessary public facilities are provided and that the proposal is in the public interest. Currently, if a proposed subdivision includes irrigable land, completed irrigation facilities may be required by an irrigation district as a condition for approval of the subdivision.

Electric Power Authority. It is suggested that districts be granted clearer authority to enter into joint ventures with public and private entities to purchase and sell power or develop or own generation and transmission facilities.

Summary: Several provisions governing irrigation district operations are revised.

Director Compensation. Language requiring irrigation district directors to fix per diem compensation amounts by resolution is deleted. The amount is set at $90 per day. Language providing for adjustment for inflation every five years, beginning in 2008, is retained.

District Liability. A district may enter into a contract with the United States for transfer of operations and maintenance of federal reclamation project works, but the contract does not impute to the district negligence for design or construction defects or deficiencies of the transferred works.

A district must be given notice whenever a city or county receives a subdivision application that includes land in the district. The district must then submit a statement with any information or conditions for approval that it deems necessary regarding the proposal's effect upon the structural integrity of district facilities, other risk exposures, and the safety of the public and the district.

Electric Power Authority. A district may contract or form a separate legal entity with several types of public or private entities to purchase and sell power and to develop or own generating or transmitting facilities. The contract may provide for purchasing capability of a project to produce or transmit power, in addition to actual output; for making payments whether or not a project is completed; that payments are not subject to reduction; and that performance is not conditioned upon performance or nonperformance of any party or entity. Entities that a district may contract with include: U.S. government agencies; states; municipalities; public utility districts; other irrigation districts; joint operating agencies; rural electric cooperatives; mutual corporations or associations; investor-owned utilities; or associations or legal entities composed of any such entities or utilities.

Votes on Final Passage:

Senate	44	0
House	98	0

Effective: July 26, 2009

E2SSB 5850

PARTIAL VETO

C 492 L 09

Protecting workers from human trafficking violations.

By Senate Committee on Ways & Means (originally sponsored by Senators Kohl-Welles, Swecker, Keiser, Franklin, Kline, Hargrove, Fraser, Tom, Regala, Prentice, McAuliffe and Shin).

Senate Committee on Labor, Commerce & Consumer Protection
Senate Committee on Ways & Means
House Committee on Commerce & Labor
House Committee on General Government Appropriations

Background: Trafficking in persons is a crime in the state of Washington. A person is guilty of trafficking if the person recruits, harbors, transports, provides, or obtains by any means a person knowing that force, fraud, or coercion will be used to cause the person to engage in forced labor or involuntary servitude, or if the person benefits financially by participating in a venture that engages in any of these actions.

International matchmaking organizations are required, upon request, to disseminate background check and personal history information of a Washington State resident whose information is provided to a recruit of the organization. Violations of this requirement are considered to be violations of the Consumer Protection Act.

Summary: International labor recruitment agencies and domestic employers of foreign workers must provide a disclosure statement to foreign workers, not including those persons who hold an H-1B visa, who have been referred to or hired by a Washington employer. The disclosure statement must be provided in English or, if the worker is not literate in English, in the language understood by the worker; state that the worker may be

considered an employee under the laws of the state of Washington; state that the worker may be subject to both state and federal laws governing overtime and work hours; include an itemized listing of any deductions the employer intends to make from the worker's pay for food and housing, including an itemized listing of the international labor recruitment agency's fees; state that the worker has the right to control his or her travel and labor documents, subject to federal law; and include a list of services or a hot line the worker may contact. The Department of Labor and Industries (L&I) may create a model disclosure form and make the form available for download off its website. Upon request, L&I must mail the form.

The Office of Crime Victims Advocacy must supply the regulatory bodies that regulate physicians, psychologists, mental health counselors, marriage and family therapists, and social workers with information on methods of recognizing victims of human trafficking. The information must be culturally sensitive and include information relating to minor victims. The regulatory authority must distribute this information to its members.

Votes on Final Passage:

Senate	46	0	
House	50	48	(House amended)
Senate	37	12	(Senate concurred)

Effective: July 26, 2009

Partial Veto Summary: The Governor vetoed the provision making violations of the disclosure statement requirement subject to the Consumer Protection Act.

VETO MESSAGE ON E2SSB 5850

May 14, 2009

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I have approved, except for Section 4, Engrossed Second Substitute Senate Bill 5850 entitled:

"AN ACT Relating to protecting workers from human trafficking violations."

Section 4 applies the Consumer Protection Act, chapter 19.86 RCW, to violations of this law. The Consumer Protection Act is ill suited to responding to these types of issues. Employment activities are already well regulated by the Department of Labor and Industries. Violations of this law would be better directed to the statutes administered by that agency.

For these reasons, I have vetoed Section 4 of Engrossed Second Substitute Senate Bill 5850. With the exception of Section 4, Engrossed Second Substitute Senate Bill 5850 is approved.

Respectfully submitted,

Christine O. Gregoire
Governor

E2SSB 5854

C 423 L 09

Reducing climate pollution in the built environment.

By Senate Committee on Ways & Means (originally sponsored by Senators Kilmer, Pridemore, Ranker, Rockefeller, Marr, Fraser, Kohl-Welles, Kline, Murray and Keiser).

Senate Committee on Environment, Water & Energy
Senate Committee on Ways & Means
House Committee on Technology, Energy & Communications
House Committee on General Government Appropriations

Background: In 1992 the U.S. Environmental Protection Agency (EPA) introduced Energy Star as a voluntary labeling program designed to identify and promote energy-efficient products. The Energy Star label is found on major appliances, office equipment products, and residential heating and cooling equipment, lighting, and home electronics. EPA has also extended the label to cover new homes and commercial and industrial buildings.

To meet Energy Star qualifications a new home must meet EPA energy efficiency guidelines. These homes include additional energy-saving features that typically make them 20–30 percent more efficient than standard homes.

The Energy Star program provides guidelines to assist with energy and financial performance. The Energy Star portfolio manager provides energy management tools and resources for building and plant owners to track and assess energy and water consumption, performance, and cost information. Energy Star uses a national energy performance rating based on a scale of 1 to 100 to assess a building's energy performance. This rating system provides a benchmark to assess building efficiency relative to similar buildings nationwide. A rating of 50 indicates average energy performance, while a rating of 75 or better indicates top performance. The rating is calculated based on elements such as building size, location, number of occupants, and equipment used. The rating system estimates how much energy the building would use if it were the best performing, the worst performing, and levels in between.

The State Building Code is comprised of national model codes adopted by reference and amended to meet the state's needs. The State Building Code includes the 2006 International Fire Code, Uniform Plumbing Code, Washington State Ventilation & Indoor Air Quality Code, International Building Code, and Residential Code. It also includes the Washington State Energy Code which is a state-written, state-specific code. The State Energy Code provides a minimum level of energy efficiency, but allows flexibility in building design, construction, and heating equipment efficiencies. The State Building Code Council (council) reviews, updates, and adopts new model state building codes every three years.

Summary: The council must adopt state energy codes that require homes and buildings constructed from 2013 through 2031 to incrementally move towards a 70 percent reduction in energy use by 2031. If economic, technical, or process factors impede adoption of or compliance with the energy reduction targets, the council must report its findings to the Legislature the year before the code would otherwise be enacted. The State Energy Code for residential and nonresidential buildings must reflect the 2006 edition of the State Energy Code, or as amended by rule by the council.

The Department of Community, Trade and Economic Development (CTED) must develop a strategic plan for enhancing energy efficiency and reducing greenhouse gases (GHG) in homes, buildings, districts, and neighborhoods. The strategic plan must be used to direct increases in energy efficiency in the State Building Code. CTED must complete the strategic plan by December 21, 2010, and provide updates every three years. The strategic plan must identify barriers to achieving net zero energy use and ways to overcome these barriers in updated energy codes. The council and CTED must convene a workgroup to inform the initial development of the strategic plan.

By January 1, 2010, qualifying utilities must maintain energy consumption data for all nonresidential and qualifying public agency buildings to which they provide service. Upon written authorization of a nonresidential building owner or operator, a qualifying utility must upload all of the energy consumption data to a portfolio manager. By January 1, 2011 or 2012, depending on building size, the property owner or operator of a nonresidential building must disclose energy performance data to prospective buyers, lessees, or lenders.

Qualifying public agencies must create an energy benchmark and report the performance rating for each reporting public facility. By January 1, 2010, the Department of General Administration (GA) must establish a state Portfolio Manager Master Account to provide shared reporting for all public facilities. The reports from reporting public facilities must be made available to the public through the Portfolio Manager website. GA must prepare a biennial report summarizing the statewide Portfolio Manager Master Account, with the first report due December 1, 2012. By July 1, 2011, reporting public facilities with a performance rating score below 50 must conduct a preliminary energy audit. An investment grade audit must be completed by July 1, 2013, if potential cost-effective energy conservation measures are identified. The energy conservation measures must be implemented by July 1, 2016.

State agencies may not enter into a new lease or lease renewal for a building with an energy performance score below 75 unless a preliminary audit has been conducted within the last two years, and the owner agrees to perform an investment grade audit and implement cost-effective energy conservation measures within the first two years of the lease agreement. The Director of the Office of Financial Management (OFM) may waive these requirements if it is determined that compliance is not cost-effective or feasible.

The director of GA, in consultation with OFM and affected state agencies, must review the cost and delivery of agency programs to determine the viability of relocating from buildings leased by the state with a national energy performance score below 50.

CTED must recommend to the Legislature by December 31, 2009, an energy performance score for residential buildings.

Votes on Final Passage:

Senate	42	5	
House	67	30	(House amended)
Senate	27	18	(Senate concurred)

Effective: July 26, 2009

ESSB 5873

C 197 L 09

Regarding apprenticeship utilization.

By Senate Committee on Labor, Commerce & Consumer Protection (originally sponsored by Senators Kline, Keiser, Hobbs, Marr, Fairley, McAuliffe, Kohl-Welles and Shin).

Senate Committee on Labor, Commerce & Consumer Protection
House Committee on Commerce & Labor
House Committee on Capital Budget

Background: On state and school district public works projects estimated to cost $1 million or more, at least 15 percent of the labor hours must be performed by apprentices. Public works contracts awarded by state four-year institutions of higher education and state agencies headed by separately elected officials are exempt from apprentice utilization requirements. Apprentice utilization requirements can be adjusted on projects if there is a demonstrated lack of availability of apprentices in the geographic area, if there is a disproportionately high ratio of material costs to labor hours which does not make utilization requirements feasible, or if participating contractors have demonstrated a good faith effort to comply with utilization requirements.

Contractors bidding on public works contracts must meet responsibility criteria in order to be considered a responsible bidder and qualified to be awarded a public works project. Bidders must be registered as a contractor; have a current state unified business identifier number; have industrial insurance, unemployment insurance, and a state excise tax registration number; and not be disqualified from bidding for prevailing wage or contractor registration violations.

Contractors are barred from bidding on public works contracts for one year if the contractor has committed any combination of two of the following violations in a five year period: knowingly misrepresenting payroll or employee hours upon which the industrial insurance premium is based; or engaging in business without having obtained a certificate of industrial insurance coverage.

Summary: Public works contracts awarded by state four-year institutions of higher education must include apprentice utilization provisions. The apprentice utilization requirements are phased in over a three-year period.

A bidder on a public works project subject to apprenticeship utilization requirements will be disqualified if the bidder was found out of compliance in the one-year period preceding the date of the bid solicitation for working apprentices out of ratio, without appropriate supervision, or outside their approved work processes.

An additional violation is added to the list of violations for which a contractor can be barred from bidding on a public works contract if the contractor commits any combination of two violations in a five-year period. The additional violation is being found out of compliance for working apprentices out of ratio, without appropriate supervision, or outside their approved work processes.

The Washington State Apprenticeship and Training Council must adopt rules that address due process protections for all parties and strengthen the accountability for apprenticeship committees approved under chapter 49.04 RCW in enforcing the apprenticeship program standards adopted by the council.

Votes on Final Passage:

Senate	28	18
House	63	34

Effective: July 26, 2009

SSB 5881

C 266 L 09

Changing provisions involving truancy.

By Senate Committee on Human Services & Corrections (originally sponsored by Senators McAuliffe, Hargrove, Regala, Jarrett and King).

Senate Committee on Human Services & Corrections
House Committee on Education

Background: In 1995 the Washington State Legislature passed the "Becca Bill," E2SSB 5439, establishing new requirements and procedures for compulsory school attendance. State law now requires an escalating series of interventions when a child has unexcused absences from school. When a child has one unexcused absence, the school must inform the child's parent, parents, or guardian by written notice or telephone. After two unexcused absences, the school must request a conference with the child's parent, parents, or guardian, and take steps to reduce or eliminate the child's school absences.

If a child has seven unexcused absences in a month, or ten unexcused absences in a school year, the school must file a truancy petition, requesting a court to enter a truancy order requiring the child's attendance in school. If this order is entered, and the child continues to be absent from school, the school may request that the child be found in contempt of the order, and sanctions may issue, including an order that the child be placed in secure detention for up to seven days.

A school district or juvenile court may establish a community truancy board for the purpose of improving a child's school attendance, and to determine interventions that will assist a child in attending school. A community truancy board functions as a diversion from juvenile court. A 2009 study by the Washington State Institute of Public Policy found that approximately 13 percent of school districts operate community truancy boards.

Summary: If the child or parent is not fluent in English, it is the preferred practice to provide a notice of a child's unexcused absence, or a notice of a truancy hearing, in a language in which the parent, parents, or guardian is fluent.

A truancy petition must state whether the child and parent are fluent in English, and whether there is an existing individualized education program for the child. If the child is in a special education program, or has a diagnosed mental disorder, the court must inquire as to what efforts the school district has made to assist the child in attending school.

If a child is not provided with counsel at a truancy hearing, the court must conduct a colloquy on the record advising the child and parents of the child's rights before entering a truancy order.

Detention as a sanction for truancy must be limited to seven days. A warrant of arrest relating to truancy must not be served on a child inside a school during school hours in a place where other students are present.

The Legislature encourages the use of community truancy boards and other diversion units which are effective in promoting school attendance and preventing the need for more intrusive court intervention. The time that a community truancy board has to respond to a truancy referral is shortened to 20 days. An agreement with a community truancy board does not have to be sent back to court for approval unless the child or parent has not complied with the agreement.

Votes on Final Passage:

Senate	48	0
House	86	10

Effective: July 26, 2009

SSB 5882
C 213 L 09

Remediating racial disproportionality in child welfare practices.

By Senate Committee on Human Services & Corrections (originally sponsored by Senators Kauffman, McAuliffe, Regala, Shin and Kline).

Senate Committee on Human Services & Corrections
House Committee on Early Learning & Children's Services
House Committee on Health & Human Services Appropriations

Background: Advisory Committee. Substitute House Bill 1472, passed during the 2007 Legislative Session, directed the Secretary of the Department of Social and Health Services (DSHS) to convene an advisory committee to analyze and make recommendations on the disproportionate representation of children of color in the Washington State child welfare system.

The committee, established in August 2007, was directed to investigate whether racial disproportionality exists in Washington's child welfare system and, if so, to identify those decision points in the system where disproportionality occurs. The legislation also directed the Washington State Institute for Public Policy (WSIPP) to provide technical assistance to the committee. By June 2008 the committee was to have prepared a report for the Secretary of the DSHS on the prevalence of disproportionality.

WSIPP Report. In 2004, the focus year for the analysis, WSIPP identified 58,005 children referred to Child Protective Services (CPS). These children were followed through November 2007. WSIPP examined the proportions of children from various racial groups at different points in the child welfare system to determine whether disproportionality exists in the system.

Structured Decision-making (SDM). SDM is a case management model that includes 18 specific questions with detailed definitions. The resulting score can then be used to determine which families will receive services. The primary goal of SDM is to reduce subsequent harm to children. SDM must be used in conjunction with other assessments that specifically consider safety and family functioning. SDM risk assessment is used in combination with a safety assessment to assess immediate danger to children to inform the decision whether Children's Administration should provide and monitor ongoing services to a family following investigation of child abuse or neglect allegations. The purpose of the risk assessment is to identify families who are most likely to experience a future event of child abuse or neglect.

Family Team Decision-making Model (FTDM). FTDMs are meetings that occur whenever a placement decision needs to be made. Typical FTDM participants include the parents, the child (if appropriate), relatives, family friends, neighbors, caregivers, community members, and service providers along with the assigned social worker and the social worker's supervisor. Generally, FTDMs occur when there is an imminent risk of placement, when a child has been placed on an emergency basis, or when a child's placement may be changing.

Summary: The WSIPP is to evaluate DSHS's use of structured decision-making practices and the implementation of the family team decision-making model to determine whether and how those efforts result in reducing disproportionate representation of African-American, Native American, and Latino children in the state's child welfare system. WSIPP is to analyze the points in the system at which current data reflect the greatest levels of disproportionality. WSIPP is to report its findings to the Legislature and DSHS by September 1, 2010.

The WSIPP evaluation is to be paid for either through current funds appropriated to complete the evaluation or within funding made available by private grant or contribution. If neither public nor private funding is available to simultaneously study both the structured decision making practices and the family team decision-making model, WSIPP is to evaluate the family team decision-making model first.

DSHS and WSIPP are to execute a data sharing agreement to comply with DSHS's confidentiality requirements and to provide WSIPP with data it will need to conduct the evaluation. DSHS and WSIPP are to jointly identify potential sources of private funding to supplement any state funds appropriated for the evaluation.

Votes on Final Passage:

Senate	45	0
House	98	0

Effective: July 26, 2009

ESSB 5889
C 556 L 09

Providing flexibility in the education system.

By Senate Committee on Early Learning & K-12 Education (originally sponsored by Senators Hobbs, McAuliffe, McDermott and Oemig).

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

Background: Title 28A of the Revised Code of Washington encompasses the laws related to the common schools and establishes the organizational structure of the common school system. ("Common schools" are public schools operating a program for kindergarten through twelfth grade or any part thereof.) Separate chapters define the roles and responsibilities of the Superintendent of Public Instruction (SPI), the State Board of Education (SBE), educational service districts (ESDs), and school districts. Other

chapters of Title 28A define requirements for health screening, traffic safety, compulsory school attendance and admission, compulsory course work and activities, awards, and academic achievement and accountability.

Over the years, school districts have asked the Legislature to ease the burden that state mandates have placed on public schools. Deregulation may provide school districts with the flexibility to reallocate resources, personnel, materials, and training time.

Summary: The following laws in Title 28A RCW relating to information, notice and reporting requirements, and curriculum and assessment mandates are repealed, suspended, or amended.

The following programs or requirements established by law are each repealed:

- Any course in Washington State history and government must include content areas such as commerce, the Constitution, state geography, and state history and culture.
- SPI must require districts to annually inform high school students that employers may request transcripts.
- Each school district is encouraged to adopt curriculum for a family preservation education program.
- On or before January 1, 2002, SPI must report to the Legislature on the types of grants awarded under the Washington Civil Liberties Public Education Program.
- SPI must encourage school districts to use community service as an alternative to suspension and distribute information on programs.
- The Washington Award for Excellence in Education Program Act.
- The Washington Award for Excellence in Teacher Preparation Act.
- SPI must submit an application to the U.S. Department of Education for flexibility in the state's assessment and conduct a pilot project with certain districts.
- School-to-work transition projects must meet certain requirements.

The following programs or requirements established by law are suspended until July 1, 2011:

- SPI must provide an annual aggregate report to the Legislature on the educational experiences and progress of students in foster care.
- School districts must provide all high school students with the option to take the math college readiness test.
- SPI must develop technology essential academic learning requirements (EALRs). By the 2010-11 school year, SPI must develop and make available assessments for the technology EALRs.

The following laws are amended:

- If a school district has received approval for its plan for using learning assistance funds (LAP), it is not required to resubmit a plan unless the district has made a significant change to the plan or a portion of the plan. The Office of SPI must establish guidelines defining a "significant change."
- SPI must only provide the appropriate personnel notice of the State Board of Health rules regarding contagious diseases when there are significant changes. Online access to the rules is sufficient.
- SPI must provide access, rather than printing and distributing, rules, records, and forms for visual and auditory screening.
- Each school must inform students and parents about compulsory attendance. Online access to the information is sufficient, unless a parent specifically requests the information in writing.
- SPI must prepare and annually provide access to information regarding enrollment options. Online access to the information is sufficient, unless a parent specifically requests the information in writing.
- Providing online access to information about intradistrict and interdistrict enrollment options is sufficient, unless a parent specifically requests the information in writing.
- The classroom-based assessments (CBAs) for civics for students in the fourth or fifth grade are suspended until 2010-11. SPI cannot require districts to use classroom-based assessments in social studies, arts, and health and fitness and must communicate clearly districts' option to use other strategies chosen by the district.
- SPI is required to make the Common School Manual available online and is authorized to charge any agency for hard copies.
- Schools must provide notice of pesticide use upon the request of a parent.
- Schools offering educational pathways must ensure students will have access to the courses and inform the parents about what opportunities are available to the student through the pathway. Providing online access to this information is sufficient, unless a parent specifically requests the information in writing.
- Restricts the state Education Technology Plan's requirements on school districts to only what is required by federal requirements.
- Allows visual screening in schools to be performed by ophthalmologists, optometrists, or opticians who donate their professional services and requires these professionals to notify the school, not the student's parents, of any vision defects. While a school official must inform parents in writing that a visual exam was

recommended, it may not communicate the name of the professional conducting the screening.
- Beginning September 1, 2009, allows a collection of work samples to be submitted as an alternative assessment to the high school WASL only in content areas required for graduation.

Votes on Final Passage:

Senate	46	1	
House	97	1	(House amended)
Senate			(Senate refused to concur)
House	94	1	(House amended)
Senate	49	0	(Senate concurred)

Effective: July 26, 2009

SSB 5891
C 305 L 09

Establishing a forum for testing primary care medical home reimbursement pilot projects.

By Senate Committee on Health & Long-Term Care (originally sponsored by Senator Keiser; by request of Governor Gregoire).

Senate Committee on Health & Long-Term Care
House Committee on Health Care & Wellness

Background: The 2008 Legislature passed a primary care bill directing the Department of Social and Health Services (DSHS) and the Health Care Authority (HCA) to assess opportunities for changing payment practices in ways that would better support development and maintenance of primary care medical homes. The bill also directed the Department of Health (DOH) to develop a medical home learning collaborative to promote adoption of medical homes in a variety of primary care practice settings. The agencies submitted a progress report titled, "Payment Options and Learning Collaborative Work In Support of Primary Care Medical Homes" to the Legislature December 31, 2008.

Summary: Public payors, private health carriers, third party purchasers, and providers are encouraged to collaborate and identify appropriate reimbursement methods to align incentives to support primary care medical homes. The discussions and the determination of reimbursement methods are facilitated by state agencies and as such are exempt from antitrust laws through the state action doctrine.

HCA and DSHS must design, oversee implementation, and evaluate one or more primary care medical home reimbursement pilot projects. The agencies must determine the number and location of the pilots; determine criteria to select primary care clinics to serve as pilot sites; select pilot sites from those clinics that currently include activities typically associated with medical homes or from sites that have been selected by DOH to participate in the medical home collaboratives; determine reimbursement methods to be tested; and identify performance measures for clinical quality, chronic care management, cost, and patient experience. The agencies must coordinate planning and operation of the pilots with the DOH medical home collaboratives and other projects promoting the adoption of medical homes.

DSHS and HCA may select an additional pilot site with a direct patient-provider primary care practice and reimburse with a fixed monthly payment per person for preventive care, wellness counseling, primary care, coordination of primary care, and urgent care services. The agencies may determine whether the pilot should include a high deductible health plan or other health benefit plan that wraps around the primary care services.

The act expires July 1, 2013

Votes on Final Passage:

Senate	47	0	
House	97	1	(House amended)
Senate	39	6	(Senate concurred)

Effective: July 26, 2009

ESSB 5892
C 575 L 09

Concerning prescription drug use in state purchased health care programs.

By Senate Committee on Ways & Means (originally sponsored by Senators Keiser and Shin; by request of Governor Gregoire).

Senate Committee on Health & Long-Term Care
Senate Committee on Ways & Means
House Committee on Health Care & Wellness
House Committee on Ways & Means

Background: The 2003 Legislature created an evidence-based prescription drug program for state agencies that purchase prescription drugs directly or through reimbursement to pharmacies. Currently, the Department of Social and Health Services (DSHS) medical assistance program, the Health Care Authority's self-insured program, and the Department of Labor and Industries participate in the program's preferred drug list (PDL). The PDL is a list of prescription drug classes that have gone through an evidence-based review process to determine the safety, efficacy, and effectiveness of drug classes. Washington State contracts with the Center for Evidence-Based Policy, Oregon Health and Science University, to independently review the prescription drug classes, and their recommendations are reviewed by the Washington State Pharmacy and Therapeutics (P&T) Committee, an independent group of pharmacy doctors and medical doctors, which then makes recommendations regarding the preferred drugs on the PDL.

The evidence-based prescription program includes provisions that allow the substitution of a preferred drug for a nonpreferred drug in a given therapeutic class, except where a practitioner has indicated the prescription for the nonpreferred drug must be dispensed as written, or if the prescription is for a refill of an antipsychotic, antidepressant, chemotherapy, antiretroviral, or immunosuppressive drug, or for the refill of a immunodulator/antiviral treatment for hepatitis C. When a substitution is made, the pharmacist must notify the prescriber of the specific drug and dose dispensed.

The PDL process currently requires that new generic drugs await an updated P&T Committee review of the drug classes before being designated as preferred drugs. Additionally there are some drug classes where both brand-name and generic drugs are included as preferred. Although federal law precludes drug manufacturers from marketing drugs for non-Food and Drug Administration (FDA) approved use, prescribers are allowed to prescribe drugs for non-FDA approved use, or off-label use, at their discretion.

Summary: The preferred drug substitution provisions of the evidence-based prescription drug program are amended in order to increase generic utilization, maximize appropriate drug usage, and reduce pharmaceutical expenditures. The state purchasing program may impose limited restrictions on an endorsing practitioner's authority to write a prescription dispense as written in cases where there is evidence the prescriber's frequency of using dispense as written varies significantly from other prescribers. The medical director must discuss the data with the prescriber and allow sufficient time for the prescribing patterns to align with other prescribers.

When a less expensive generic product, in a drug class previously reviewed by the P&T Committee, becomes available, the state program may immediately designate the generic drug as a preferred drug if it is equally effective. Within a therapeutic class, if an over-the-counter drug becomes available, the program may designate the over-the-counter drug as a preferred drug if it is equally effective.

The program may impose limited restrictions on endorsing practitioners' authority to write dispense as written for a patient's first course of treatment within a therapeutic class of drugs. The generic may be provided for the first course if there is a therapeutic alternative generic product and the Drug Use Review Board has reviewed the appropriateness. The endorsing practitioner may request the brand name drug for the first course of treatment when medically necessary through the prior authorization process.

The program may impose limited restrictions on endorsing practitioners' authority to write dispense as written for off-label use of a product, when there is a less expensive FDA approved product to the treat the condition and the Drug Use Review Board has reviewed the appropriateness. The endorsing practitioner may request the off-label drug when medically necessary through the prior authorization process.

The DSHS prior authorization process must provide a response within 24 hours and allow at least a 72-hour emergency supply of the requested drug. Refills of nonpreferred drugs continue to be protected, and anti-epileptic drugs are identified as protected refills. The act has an emergency clause and takes effect immediately.

Votes on Final Passage:

Senate	33	16	
House	54	43	(House amended)
Senate	29	15	(Senate concurred)

Effective: May 19, 2009

ESB 5894

C 557 L 09

Authorizing the utilities and transportation commission to forbear from rate and service regulation of certain transportation services.

By Senators Haugen and Parlette.

Senate Committee on Transportation
House Committee on Transportation

Background: An auto transportation company is a company that transports people between fixed termini or over a regular route on public highways for compensation, but does not operate exclusively within a city or town.

A charter party carrier receives compensation to transport a group of persons who, pursuant to a common purpose and under a single contract, travel together as a group to a specified destination or for a particular itinerary.

An excursion service carrier receives individually assessed fares to transport people from a city or town to elsewhere in the state and back to the point of origin, without picking up or dropping off passengers after leaving and before returning to the area of origin.

Under current law, the Utilities and Transportation Commission (UTC) must regulate the rates and service of auto transportation companies and commercial ferry service providers. In exchange for exclusive operating rights in a specified territory, an auto transportation company or commercial ferry service provider commits to a level of service and tariff. Changes to the level of service or tariff must be reviewed by the UTC.

UTC also regulates the safety and insurance of charter party carriers, excursion service carriers, and auto transportation companies.

The Department of Transportation (DOT) administers grant programs to some service providers that meet the statutory definition of an auto transportation company. Some state agencies contract with auto transportation companies, or charter or excursion carriers, to provide service.

Summary: UTC may exempt a transportation service from the rate and service regulation applicable to auto transportation companies if the service does not serve an essential transportation purpose; is solely for recreation; and would not adversely affect the operations of a regulated auto transportation company. The company providing the service must obtain a permit under the passenger charter carriers chapter, and UTC continues to regulate the company with respect to safety and insurance requirements.

The rate and service regulations applicable to auto transportation companies do not apply to a transportation service if UTC finds that the service is pursuant to a contract with a state agency or a grant issued by DOT.

UTC may exempt a commercial ferry service provider from rate and service regulation if, after a hearing, the UTC finds that the service does not serve an essential transportation service; is solely for recreation; and would not adversely affect the rates of services of an existing operator.

Clarification is added regarding the inapplicability of ride sharing benefits to a non-profit transportation provider that has a contract or grant with DOT and is registered with UTC, but does not serve special needs clients.

Within existing resources, the UTC will study the appropriateness of rate and service regulation of commercial ferries operating on Lake Chelan.

Votes on Final Passage:

Senate	46	3	
House	97	0	(House amended)
Senate			(Senate refused to concur)
House	97	0	(House amended)
Senate	45	1	(Senate concurred)

Effective: July 26, 2009

ESSB 5901

C 267 L 09

Modifying provisions of the local infrastructure financing tool program.

By Senate Committee on Economic Development, Trade & Innovation (originally sponsored by Senator Kastama).

Senate Committee on Economic Development, Trade & Innovation

House Committee on Community & Economic Development & Trade

Background: Tax increment financing is a method of redistributing increased tax revenues within a geographic area resulting from a public investment in order to pay for the bonds to construct the project.

In 2006 the Legislature created a new form of tax increment financing, the Local Infrastructure Financing Tool (LIFT) program, to encourage private investment in community revitalization areas. The LIFT program assists local governments in making public improvements, such as streets, sidewalks, traffic controls, and parking. Public improvement projects in revenue development areas (RDA) are financed through a local sales and use tax that is credited against the state sales and use tax and matched with local resources, such as excess receipts from local sales/use and property taxes.

The local government that creates an RDA may use annually any excess excise taxes received by it from taxable activity within the RDA to finance the public improvement costs financed in whole or in part by local infrastructure financing.

The local excise tax allocation revenue is the amount of excise taxes received by a local government during the measurement year within the RDA over and above the amount of excise taxes received there during the base year from taxable income within the RDA. The base year is the first calendar year following the creation of the RDA and the measurement year is a calendar year, beginning with the calendar year following the base year, that is used annually to measure the amount of excess excise taxes required to be used to finance the public improvement costs.

Summary: The local government sponsoring a LIFT project will estimate the state and local excise tax allocation revenues to be received. The "base year" and "measurement year" definitions and requirements are removed from the LIFT statute.

Sponsoring local governments must submit additional information in their annual reports. At least every three years, the sponsoring local government will include in its annual report updated estimates of how the state has benefited through increases in sales/use and property taxes since the sponsoring local government has been approved for LIFT.

Sponsoring local governments that have adopted an RDA must, if they intend to incur indebtedness and issue bonds, adopt either an ordinance or a resolution that indicates such intent.

Technical changes are made related to the local sales and use tax that is credited against the state sales and use tax and related to repayment of indebtedness and the expiration of the local sales and use tax.

Votes on Final Passage:

Senate	47	0
House	89	8

Effective: July 26, 2009

SB 5903
C 62 L 09

Regarding public works contracts for residential construction.

By Senators Keiser, McAuliffe and Hatfield; by request of Lieutenant Governor.

Senate Committee on Labor, Commerce & Consumer Protection
House Committee on Commerce & Labor

Background: Public works contracts for construction, reconstruction, maintenance, or repair for the state or any county, municipality, or political subdivision must state the hourly minimum rate of wage to be paid to laborers, workers, or mechanics. The hourly minimum rate of wage may not be less than the prevailing rate of wage paid to laborers, workers, or mechanics in each trade or occupation contracted to do any part of the public works contract. The public works contract must also contain a stipulation that the laborers, workers, or mechanics will not be paid less than the specified hourly minimum rate of wage.

The "prevailing rate of wage" is defined as the rate of hourly wage, usual benefits, and overtime paid in the locality to the majority of workers, laborers, or mechanics in the same trade or occupation. In the event there is not a majority in the same trade or occupation paid at the same rate, then the average rate of hourly wage and overtime paid to such laborers, workers, or mechanics in the same trade or occupation must be the prevailing rate. If the wage paid by any contractor or subcontractor to laborers, workers, or mechanics on any public work is based on some period of time other than an hour, the hourly wage must be mathematically determined by the number of hours worked in such period of time.

Summary: If the awarding agency determines the work contracted for meets the definition of residential construction, the public works contract must include that information. The definition of "residential construction" is construction, alteration, repair, improvement, or maintenance of single family dwellings, duplexes, apartments, condominiums, and other residential structures not to exceed four stories in height, including basement, when used solely as permanent residences. The term "residential construction" does not include the utilities construction (water and sewer lines), or work on streets or other structures.

If the hourly minimum rate of wage stated in the public works contract specifies residential construction rates and it is later determined that the work performed is commercial and subject to commercial construction rates, the state, county, municipality, or political subdivision that entered into the contract must pay the difference between the residential rate stated and the actual commercial rate. The difference between the two rates must be paid to the contractors, subcontractor, or other person doing or contracting to do the whole or any part of the work under the contract.

Votes on Final Passage:

Senate	46	0
House	97	0

Effective: July 26, 2009

SSB 5904
C 63 L 09

Defining independent contractor for purposes of prevailing wage.

By Senate Committee on Labor, Commerce & Consumer Protection (originally sponsored by Senators Kohl-Welles, Prentice, Keiser, Franklin, Hobbs and Kline).

Senate Committee on Labor, Commerce & Consumer Protection
House Committee on Commerce & Labor

Background: Laborers, workers, and mechanics on all public works and public building service maintenance contracts must be paid prevailing wages. Prevailing wage is the rate of hourly wage, usual benefits, and overtime paid in the locality, or largest city in the county where the work is being performed. The prevailing wage is determined by the industrial statistician at the Department of Labor and Industries.

Summary: Independent contractor is defined for prevailing wage purposes. An individual employed on a public works project is not considered to be a laborer, worker, or mechanic, and consequently not required to be paid prevailing wages, when:

- the individual has been and is free from control or direction over the performance of services;
- the service is outside the usual course of business for the contractor for whom the individual performs services;
- the individual is customarily engaged in an independently established trade;
- the individual is responsible for filing paperwork with the Internal Revenue Service;
- the individual has an active and valid certificate of registration with the Department of Revenue for the business the individual is conducting;
- the individual maintains separate books and records; and
- the individual has a valid contractor registration or license if the nature of the work requires registration or licensure.

Votes on Final Passage:

Senate	27	15
House	63	34

Effective: July 26, 2009

SB 5909
C 268 L 09

Clarifying that multiple qualified buildings are eligible for the high technology retail sales and use tax deferral.

By Senators Murray, Kohl-Welles and Zarelli.

Senate Committee on Ways & Means
House Committee on Finance

Background: The retail sales tax applies to the selling price of tangible personal property and of certain services purchased at retail. The tax is levied at a 6.5 percent rate by the state. Currently, local rates levied range from 0.5 percent to 2.4 percent. Sales tax is paid by the purchaser and collected by the seller.

The high technology research and development (R&D) sales and use tax deferral is allowed for the construction of buildings and acquisition of machinery and equipment for projects involving research and development or pilot scale manufacturing. To qualify the firm must be engaged in one of five areas related to high technology: advanced computing, advanced materials, biotechnology, electronic device technology, or environmental technology. In addition, an applicant is required to submit an application to the Department of Revenue (DOR) before beginning construction or equipment purchases. The application must include the location of the project, current employment, new employment estimates, estimated wages related to the project, estimated or actual cost data, time schedules for completion and operation, and other information required by the DOR. The deferral may apply to a building that is leased to a qualified high technology business if the owner/lessor agrees to pass on the economic benefit of the deferral to the lessee.

Currently, if a building is used partly for pilot scale manufacturing or R&D and partly for other purposes, the deferral may be apportioned by the costs of construction related to the pilot scale manufacturing or R&D.

Originally, the sales/use tax liability was deferred for three years followed by a five year graduated repayment. Since 1995 the repayment requirement has been waived provided program requirements are maintained for seven years after the facility becomes operational. The statute is currently scheduled to expire on July 1, 2015.

Summary: The act establishes that "multiple qualified buildings" leased to the same person are eligible for the deferral when the structures are located within a five mile radius and the initiation of construction of each building begins within a 60-month period.

Applications must be submitted prior to the construction of each building for an investment project involving multiple qualified buildings.

Shifting of qualified activities is allowed within a building or from one building to another and DOR is allowed to develop rules to calculate apportionment of construction costs across these multiple buildings. The lessee is responsible for payment of any deferred tax that may become due and payable.

The act is retroactive and applies to applications received after June 30, 2007.

Votes on Final Passage:

Senate	47	0
House	96	1

Effective: July 26, 2009

SSB 5913
PARTIAL VETO
C 558 L 09

Concerning online access to the University of Washington health sciences library by certain health care providers.

By Senate Committee on Health & Long-Term Care (originally sponsored by Senators Pflug, Keiser and Shin).

Senate Committee on Health & Long-Term Care
House Committee on Health Care & Wellness

Background: In 2007 legislation increased annual licensure fees for health care professions by $25. The money was directed to be transferred to the University of Washington (UW) to provide online access to the school's Health Sciences Library.

By January 1, 2009, licensed health care practitioners were to have access to selected vital clinical resources, medical journals, decision support tools, and evidence-based reviews of procedures, drugs, and devices. These practitioners included physicians, osteopathic physicians, physician assistants, naturopaths, podiatrists, chiropractors, psychologists, registered nurses, optometrists, mental health counselors, massage therapists, clinical social workers, and acupuncturists.

Summary: The University of Washington must provide an accounting of the use of the funds paid under the online access program and inform the legislative health care committees by December 1 every year.

Votes on Final Passage:

Senate	47	0	
House	98	0	(House amended)
Senate	48	0	(Senate concurred)

Effective: July 26, 2009

Partial Veto Summary: The Governor vetoed the requirement that the Department of Health convene a user advisory group to review the online access program and make recommendations for improving the program.

VETO MESSAGE ON SSB 5913

May 19, 2009

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I have approved, except for Section 1, Substitute Senate Bill 5913 entitled:

"AN ACT Relating to online access to the University of Washington health sciences library by certain health care providers; and amending RCW 43.70.110 and 43.70.112."

I fully support the intent of this legislation, including its clarification that the existing surcharge to health care professionals should be assessed only once per year, regardless of the number of licenses a professional holds. Unfortunately, Section 1 also requires the Department of Health (Department) to create an ongoing, annual advisory group. Establishing new advisory groups in statute is contrary to our recent efforts to reduce the number of boards, commissions and advisory groups across all of state government. There are other, more efficient ways to keep interested parties informed and engaged on emerging issues.

Given the importance of this to many, I ask that Department pursue all available options to address the surcharge issue administratively. I also recommend that Department convene stakeholders to solicit feedback about the program and provide recommendations.

For these reasons, I have vetoed Section 1 of Substitute Senate Bill 5913.

With the exception of Section 1, Substitute Senate Bill 5913 is approved.

Respectfully submitted,

Christine O. Gregoire
Governor

ESB 5915
C 559 L 09

Authorizing emergency rule making when necessary to implement budget appropriations and reductions.

By Senators Prentice and Fairley; by request of Office of Financial Management.

Senate Committee on Government Operations & Elections
House Committee on Ways & Means

Background: Under the Administrative Procedures Act an agency planning on adopting administrative rules is required, at least 20 days before a rule-making hearing at which the agency receives public comment, to publish notice of the hearing in the State Register. Publication constitutes the proposal of a rule. Upon filing notice of the proposed rule with the Code Reviser, the adopting agency must have copies of the notice on file and available for public inspection. No later than three days after its publication in the State Register, the agency must cause either a copy of the notice of proposed rule adoption or a summary of the information contained on the notice to be mailed to each person, city, and county that has made a request to the agency for a mailed copy of such notices.

Currently, there are two causes for which an agency may adopt an emergency rule if it finds good cause:

- immediate adoption, amendment, or repeal of a rule is necessary for the preservation of the public health, safety, or general welfare, and observing the time requirements of notice and opportunity to comment upon adoption of a permanent rule would be contrary to the public interest; or
- state or federal law, or federal rule, or a federal deadline for state receipt of federal funds requires immediate adoption of a rule.

The agency may dispense with those requirements and adopt, amend, or repeal the rule on an emergency basis.

An agency's finding and a concise statement of the reasons for its finding must be incorporated in the order for adoption of the emergency rule or amendment filed with the Office of the Code Reviser. An emergency rule takes effect upon filing with the Code Reviser and may not remain in effect for longer than 120 days after filing.

Summary: A third cause for which an agency may adopt an emergency rule if it finds good cause is added. In order to implement the requirements or reductions in appropriations enacted in any budget for fiscal years 2009, 2010, or 2011, which necessitates immediate adoption, amendment, or repeal of a rule, and that observing the time requirements of notice and opportunity to comment upon adoption of a permanent rule would be contrary to the fiscal needs or requirements of the agency, the agency may dispense with the requirements and adopt, amend, or repeal the rule on an emergency basis.

Votes on Final Passage:

Senate	36	11
House	57	37

Effective: May 19, 2009

SSB 5921
C 318 L 09

Creating a clean energy leadership initiative.

By Senate Committee on Economic Development, Trade & Innovation (originally sponsored by Senators Rockefeller, Pridemore, Ranker, Kline and Kohl-Welles).

Senate Committee on Environment, Water & Energy
Senate Committee on Economic Development, Trade & Innovation
House Committee on Technology, Energy & Communications
House Committee on General Government Appropriations

Background: Over the past several years, Washington has begun development of a climate change mitigation strategy. However, clean energy advocates believe that Washington has fallen behind other states in developing clean energy policies, incentives and programs, and making strategic investments that support the development of clean technologies and clean energy companies.

Summary: The Governor and a statewide public-private alliance will appoint and convene the Clean Energy Leadership Council. The Council is to submit an interim clean energy strategy and initial recommendations to the

Governor and Legislature by December 1, 2009, and the final clean energy strategy and recommendations by December 1, 2010.

The Department of Community Trade and Economic Development is to consider the clean energy strategy when preparing its application for federal state energy program funding and determining the type and number of projects to fund, and is to consult the Clean Energy Leadership Council prior to awarding federal energy stimulus funding for clean energy projects.

The Governor is to designate an existing full-time equivalent position within state government as the single point of accountability for all energy and climate change initiatives within state agencies. This person will chair the Evergreen Jobs Leadership Team established in E2SHB 2227. The Council will designate one of its members as its representative on the Evergreen Jobs Leadership Team to ensure alignment of efforts.

Votes on Final Passage:

Senate	46	1	
House	64	33	(House amended)
Senate	32	13	(Senate concurred)

Effective: May 4, 2009

ESB 5925

C 297 L 09

Regarding insurance for higher education students participating in study or research abroad.

By Senators Shin, Kastama, Jacobsen, Berkey, Hobbs, Franklin, Hargrove and Kohl-Welles; by request of University of Washington.

Senate Committee on Higher Education & Workforce Development
House Committee on Higher Education

Background: Institutions of higher education (institutions) may make any type of insurance available for regents, trustees, and students. The governing boards may make available and pay the costs of health benefits for graduate students holding graduate service appointments and their immediate families.

A number of students choose to participate in studies and research outside the United States. Some of these study or research abroad activities and student exchanges are administered by the institutions themselves while others are sponsored by independent organizations or the federal government. Many of the independent providers require proof of health insurance as a condition of participation. While many Washington institutions of higher education strongly encourage students to review their insurance coverage before participating in these overseas programs, they are not authorized to require insurance coverage.

Summary: As a condition of participation in study or research abroad programs that are sponsored, arranged, or approved by an institution of higher education, students may be required to purchase approved insurance that will provide coverage for expenses incurred as a result of injury, illness, or death, if the student does not already have adequate insurance. Participating students may also be required to have insurance coverage that includes emergency evacuation or repatriation of remains. The institution may bear all or part of the costs of the insurance.

Votes on Final Passage:

Senate	41	5	
House	66	32	(House amended)
Senate	34	12	(Senate concurred)

Effective: July 26, 2009

SSB 5931

C 424 L 09

Regarding licensed mental health practitioner privilege.

By Senate Committee on Judiciary (originally sponsored by Senators Murray, Delvin and Kline).

Senate Committee on Judiciary
House Committee on Judiciary

Background: The judiciary has the power to compel witnesses to appear before the court and testify in judicial proceedings. However, the common law and statutory law recognize exceptions to compelled testimony in some circumstances, including testimonial privileges. Privileges are recognized when certain classes of relationships or communications within those relationships are deemed of such societal importance that they should be protected.

The Washington Legislature has established a number of testimonial privileges in statute, including communications between the following persons: (1) spouses or domestic partners; (2) attorney and client; (3) clergy and penitent; (4) physician and patient; (5) psychologist and client; (6) optometrist and client; (7) law enforcement peer support counselor and a law enforcement officer; and (8) sexual assault advocate and victim.

Licensed mental health counselors, marriage and family therapists and social workers currently are required to hold information received in the rendering of professional services as confidential, with some specified exceptions. However, mental health counselors', marriage and family therapists' and social workers' communications with their clients are not currently afforded testimonial privilege.

Summary: Mental health counselors, independent clinical social workers, and marriage and family therapists licensed under chapter 18.225 RCW may not disclose, or be compelled to testify about, any information acquired from persons consulting the counselor in a professional capacity when the information was necessary to enable the counselor to render professional services to those persons.

Exceptions to the testimonial privilege include (1) the client provides written authorization to disclose the information or to testify; (2) the client brings charges against the mental health practitioner; (3) the Secretary of Health subpoenas information pursuant to a complaint or report under the Uniform Disciplinary Act; (4) the information is required to be disclosed under statutory mandatory reporting provisions; and (5) the practitioner reasonably believes that disclosure will avoid or minimize an imminent danger to the health or safety of an individual, however there is no obligation to disclose in this situation.

Votes on Final Passage:

Senate	49	0	
House	97	0	(House amended)
Senate	44	1	(Senate concurred)

Effective: July 26, 2009

SB 5944
C 48 L 09

Implementing a demonstration project to reduce phosphorus loading in Lake Whatcom.

By Senators Ranker, Brandland, Hargrove, Morton, Haugen, Shin, Fraser, Pridemore, Kastama, Kilmer, Jacobsen, Rockefeller, Sheldon, Kauffman, Berkey, Kline, Hobbs and Marr.

Senate Committee on Environment, Water & Energy
House Committee on Ecology & Parks

Background: In 2007 the Legislature adopted ESSB 5372, creating the Puget Sound Partnership (Partnership). The Partnership is tasked with cleaning up and restoring Puget Sound by the year 2020. The Partnership is governed by the Leadership Council, seven members chosen from around Puget Sound and appointed by the Governor. The Leadership Council developed the initial 2020 Plan and the Action Agenda. The Action Agenda identifies and prioritizes those actions which are necessary to achieve the aims of the 2020 Plan.

In Whatcom County, the Action Agenda recommends implementing a watershed management plan, implementing a storm water runoff plan, and taking steps to manage on-site sewage systems in the Lake Whatcom watershed. The Lake Whatcom watershed supplies freshwater to half of the county's population. Additionally, Lake Whatcom is the drinking water reservoir for the City of Bellingham.

Summary: The Partnership must assist Bellingham and Whatcom County in implementing a demonstration program regarding phosphorus loading into Lake Whatcom. The Partnership must assist the city and county in securing funding from federal and nongovernmental sources and work to secure funding commitments from the city and county as well. The demonstration program must include elements for prevention, education, compliance, and monitoring to reduce to a minimum the introduction of phosphorus-bearing materials into Lake Whatcom. Any grant made under this section must be matched by at least an equal amount from nonstate sources.

Votes on Final Passage:

Senate	44	0
House	96	1

Effective: July 26, 2009

2SSB 5945
PARTIAL VETO
C 545 L 09

Creating the Washington health partnership plan.

By Senate Committee on Ways & Means (originally sponsored by Senators Keiser, Franklin and Kohl-Welles).

Senate Committee on Health & Long-Term Care
Senate Committee on Ways & Means
House Committee on Health Care & Wellness
House Committee on Health & Human Services Appropriations

Background: The 2008 Legislature passed ESSB 6333 calling for an analysis of five health care reform proposals, including the Washington Health Partnership as outlined in legislation. The Legislature contracted with Mathematica Policy Research, Inc. to model the coverage and economic impacts of each proposal, and their initial analysis is available.

The Department of Social and Health Services (DSHS), Health Recovery Services Administration (HRSA), administers the state's medical assistance programs which include Medicaid and the State Children's Health Insurance Programs (SCHIP). The federal programs are established in the Social Security Act under Titles XIX and XXI, respectively. In general, the Medicaid program has categorical eligibility that focuses on low-income children, low-income families, or low-income individuals that meet the aged, blind, or disabled definitions. Other adults not eligible for these programs may have access to medical coverage through the state-funded programs such as the General Assistance Unemployable (GAU) program or the Basic Health program; however, the Governor's budget proposal for the upcoming biennium included elimination of the GAU program and a 42 percent cut of the Basic Health program.

Summary: DSHS must apply for a federal waiver to expand medical assistance with a single eligibility standard for low-income persons, phased-in with incremental steps for low-income parents and individuals with income up to 200 percent of the federal poverty level. The waiver must include a single seamless application and eligibility determination system for all low-income populations included in the waiver. To the extent permitted under federal law, the program must be designed as a single program with a common core benefit package that may be similar to the

Basic Health benefit package or an alternative benefit package approved by the federal Department of Health and Human Services, with the option of supplemental coverage for some categorical groups such as children or the individuals in the Aged, Blind and Disabled program.

The waiver should explore creative and innovative approaches and program features; the ability to impose enrollment limits or benefit design changes; opportunities to maximize enrollment in employer-sponsored health insurance when it is cost-effective for the state; and opportunities to share savings that might accrue to the federal Medicare program for those individuals that are dually eligible for Medicare and Medicaid. DSHS must hold ongoing stakeholder discussions as the waiver request is developed and provide opportunities for public review and comment. DSHS and HCA must identify statutory changes that may be necessary to ensure successful and timely implementation of the waiver and an Apple Health Program for adults. Implementation of any approved waiver must be authorized by the Legislature.

DSHS must submit a request to the federal Department of Health and Human Services to modify the current family planning waiver, to provide coverage for sexually transmitted disease testing and treatment; to return to the eligibility standards used in 2005 including citizenship documentation, insurance eligibility standards, and confidential service availability for minors and survivors of domestic and sexual violence; and within available funds, increase the eligibility to 250 percent of the federal poverty level to coordinate with the income eligibility for the maternity care services.

Statutes directing Medicaid waivers and state plan amendments in 2007 and 2002 are repealed.

Votes on Final Passage:

Senate	28	19	
House	62	35	(House amended)
Senate	28	19	(Senate concurred)

Effective: July 26, 2009

Partial Veto Summary: The Governor vetoed the section creating the advisory group and requiring quarterly meetings.

VETO MESSAGE ON 2SSB 5945

May 18, 2009

To the Honorable President and Members,
The Senate of the State of Washington

I have approved, except for Section 3, Second Substitute Senate Bill 5945 entitled:

"AN ACT Relating to creating the Washington health partnership plan."

Section 3 creates the Washington health partnership advisory group and requires me to convene quarterly meetings of the group from October 2009 through June 2010. Creating in statute a new advisory group, even one of limited duration, is contrary to our recent effort to reduce the number of such groups across all of state government. I will emphasize to the relevant state agencies the importance of keeping all interested parties up to date on our state's health care reform efforts, and if appropriate will convene the type of meeting called for in this section without the need to create this group in statute.

With the exception of Section 3, Second Substitute Senate Bill 5945 is approved.

Respectfully submitted,

Christine Gregoire

Christine O. Gregoire
Governor

SB 5952
C 180 L 09

Modifying the definition of "sexual orientation" for malicious harassment prosecution purposes.

By Senators McDermott, Murray, Fairley, Prentice, Kohl-Welles, Kline, Pridemore, Tom, Regala, Jacobsen, Marr, Oemig, Haugen, Franklin, Hobbs and McAuliffe.

Senate Committee on Judiciary
House Committee on Public Safety & Emergency Preparedness

Background: Under current law, a person is guilty of malicious harassment if the person maliciously and intentionally commits one of the following acts because of his or her perception of the victim's race, color, religion, ancestry, national origin, gender, sexual orientation, or mental, physical, or sensory handicap: (1) causes physical injury to the victim or someone else; (2) causes physical damage to or destruction of the property of the victim or someone else; or (3) threatens a specific person or group of persons and puts that person, or that group in reasonable fear of harm. The fear must be fear that a reasonable person would have under the circumstances. "Reasonable person" is defined as a reasonable person who is a member of the victim's race, color, religion, ancestry, national origin, gender, or sexual orientation, or has the same mental, physical, or sensory handicap as the victim. Words alone do not constitute malicious harassment unless the words and circumstances indicate a threat. Malicious harassment is a class C felony.

"Sexual orientation" is defined as heterosexuality, homosexuality, or bisexuality.

Under labor regulations in RCW 49.60.040, "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.

Summary: The definition of "sexual orientation" is changed to mirror the definition provided in RCW 49.60.040.

Votes on Final Passage:

Senate	36	12
House	68	30

Effective: July 26, 2009

SSB 5963
C 493 L 09

Regarding unemployment insurance.

By Senate Committee on Labor, Commerce & Consumer Protection (originally sponsored by Senators Kohl-Welles, Holmquist, King, Honeyford, Keiser, Franklin, Kline, Hewitt, Marr, Parlette, McCaslin, Schoesler and Morton).

Senate Committee on Labor, Commerce & Consumer Protection
House Committee on Commerce & Labor

Background: Conformity. In 2006 the federal Department of Labor informed the Employment Security Department (ESD) that a provision of Washington law is out of conformity with federal unemployment insurance laws. The state provision in question governs the way unemployment benefits are paid and charged back to the employer. Unemployment benefits are calculated based on a percentage of how much a claimant earned in the two quarters of the base year in which the claimant earned the most money. Benefits are charged to the employer based on the worker's wages in all four quarters of the base year, not just the two quarters in which the claimant earned the most money. This process is commonly known as "pay at 2, charge at 4." In the "pay at 2, charge at 4" system, the amount of benefits paid out doesn't necessarily match the amount of benefits charged back to an employer. The difference between benefits paid out and benefits charged back to an employer is spread across all employers as a social cost. The federal government believes "pay at 2, charge at 4" is out of conformity because federal law requires that unemployment tax rates reflect actual benefits paid.

Employer Contributions. The total amount of unemployment insurance (UI) contributions or taxes paid by an employer includes an experience rated tax and a social tax. The experience rated tax is determined based on an employer's benefit ratio and falls into one of 40 rate classes ranging from 0.0 percent in rate class 1 to 5.40 percent in rate class 40. The social tax covers social costs and is calculated using the flat social cost factor, which is then graduated based on the employer's rate class. The flat social cost factor is 0.6 percent, and varies depending on the number of months of benefits in the UI trust fund. If there are 12 to 14 months of benefits, the flat social cost factor is 0.5 percent, and if there are more than 14 months then the flat social cost factor is 0.45 percent for employers in rate class 1. The combined social tax and experience rated tax is capped at 5.7 percent for certain agriculture, forestry, and fishing employers and at 6.5 percent for all other contribution paying employers.

Voluntary Quits. An individual is disqualified from UI benefits if the individual left work voluntarily without good cause. State law specifies 11 good cause quit provisions. In 2008 the state Supreme Court released its decision on the consolidated *Spain v. ESD* and *Batey v. ESD* cases. The court found that the state's good cause quit statute is ambiguous, and that the 11 listed good cause quit provisions are not an exclusive list. Rather, the court found that an individual who left work without good cause can collect benefits if compelling personal reasons created good cause to leave employment as determined by ESD.

Extended Benefits. Extended benefits are additional benefits that are available during periods of high unemployment in the state. Washington state triggered onto extended benefits February 15, 2009. An individual who has exhausted emergency unemployment compensation (EUC) benefits during an extended benefit period can receive up to 13 weeks of benefits under the extended benefit program; however, at least one week of an extended benefit period must fall within an individual's benefit year in order to be eligible for extended benefits. An individual may not exhaust his or her EUC benefits until after his or her benefit year has ended, making the individual ineligible for extended benefits.

Summary: Conformity. UI benefits are charged back to employers in the same amount that benefits are paid out ("pay at 2, charge at 4" is changed to "pay at 2, charge at 2").

Employer Contributions. Beginning with rate year 2010, the experience rated taxes for rate classes 2 through 39 are reduced by 0.02 percent to 0.05 percent depending on the specific rate class. The flat social cost factor adjusts depending on the months of benefits in the trust fund as follows:

Months of benefits in trust fund	**Flat social cost factor**
10-11	0.5 percent
11-12	0.4 percent
13-15	0.35 percent
15-17	0.25 percent
17-18	0.15 percent
18+	0.15 percent through rate year 2010 and 0 percent thereafter.

The combined social tax and experience rated tax is capped at 5.4 percent for certain agriculture, forestry, and fishing employers and at 6.0 percent for all other contribution paying employers.

Voluntary Quits. An individual has good cause and is not disqualified from UI benefits only if the individual quit for one of the specified reasons listed in statute. An addi-

tional good cause quit provision is established for individuals who left work to relocate for the employment of a spouse or domestic partner that is outside the existing labor market area if the claimant remained employed as long as was reasonable prior to moving.

Extended Benefits. The eligibility period for extended benefits is modified for individuals who are eligible for EUC starting when extended benefits triggered on February 15, 2009.

Votes on Final Passage:

Senate	38	11	
House	53	45	(House amended)
Senate			(Senate concurred in part)
House	71	25	(House receded)
Senate	46	0	(Senate concurred)

Effective: May 14, 2009 (Section 4)
July 26, 2009

ESSB 5967
C 467 L 09

Prohibiting unfair practices in public community athletics programs by prohibiting discrimination on the basis of sex.

By Senate Committee on Government Operations & Elections (originally sponsored by Senators Kohl-Welles, Fairley, Fraser, McAuliffe and Kline).

Senate Committee on Government Operations & Elections
House Committee on Judiciary

Background: Title IX of the Education Amendments of 1972 is a federal statute created to prohibit sex discrimination in education programs that receive federal financial assistance. Nearly every educational institution is a recipient of federal funds, and therefore is required to comply with Title IX.

In 1975 Washington adopted its own Title IX legislation in RCW 28A.640.010, which prohibits inequality in the educational opportunities afforded women and girls at all levels of public schools in Washington State.

Currently, Washington law does not extend the protection of Title IX to opportunities in community athletic programs.

Summary: No city, town, county, or district may discriminate against any person in a community athletics program on the basis of sex. "Community athletics program" means any athletic program that is organized for the purposes of training for and engaging in athletic activity and competition that is in any way operated, conducted, administered, or supported by local governments and districts, other than those created solely for the students of a school.

A third party receiving a lease or permit for a community athletics program from one of these entities or from a school district also may not discriminate against any person on the basis of sex in the operation, conduct, or administration of the program.

The nondiscrimination policy must be adopted by January 1, 2010, and must be published and disseminated. At a minimum, it should be included in any publication that contains information about the program or information about obtaining a permit to operate a program. The policy must also be published on the appropriate entity's website.

School districts issuing permission to a third party for the operation of a community athletics program on its facilities must also follow these requirements, but may use and modify existing school policies to the extent possible. School districts are not required to monitor compliance, investigate complaints, or otherwise enforce school district policies as to third parties using school district facilities.

Every entity covered by this act must publish the name, office address, and office telephone number of any employee responsible for carrying out compliance with this act.

Votes on Final Passage:

Senate	41	4	
House	67	31	(House amended)
Senate	44	3	(Senate concurred)

Effective: July 26, 2009

2SSB 5973
C 468 L 09

Closing the achievement gap in K-12 schools.

By Senate Committee on Ways & Means (originally sponsored by Senators Kauffman, McAuliffe, Oemig, Shin, Hobbs, Kohl-Welles and Kline).

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

Background: The 2008 Legislature commissioned five studies, by way of 2SHB 2722 (2008), and four provisos in the 2008 supplemental operating budget, that analyzed the differences in academic achievement and educational outcomes among various subgroups of students. These differences are referred to as the achievement gap. The commissioned studies drew from research, best practices, and personal, professional, and cultural experiences and came up with various recommendations to close the achievement gap.

Summary: An Achievement Gap Oversight and Accountability Committee (Committee) is created to synthesize findings and recommendations from the 2008 studies into an implementation plan, and recommend policies and strategies in specified areas to the Office of Superintendent of Public Instruction (OSPI), Professional Educator

Standards Board (PESB), and the State Board of Education to close the achievement gap. The Committee is comprised of six legislators, a representative of federally recognized tribes in Washington to be designated by the tribes, and four members appointed by the Governor in consultation with the state ethnic commissions and representing African Americans, Hispanic Americans, Asian Americans, and Pacific Islander Americans. The Governor and the tribes are encouraged to designate members with school experience. Staff support for the Committee is provided by the Center for the Improvement of Student Learning. The Committee reports annually to the Legislature on the strategies to address the achievement gap and improvement of education performance measures for groups of students.

All student data-related reports required of OSPI must be disaggregated by at least the following subgroups: White, Black, Hispanic, American Indian/Alaskan Native, Asian, Pacific Islander/Hawaiian Native, Low Income, Transitional Bilingual, Migrants, Special Education, and students covered by Section 504 of the Federal Rehabilitation Act.

PESB, in consultation with the Committee, must identify model standards for cultural competency and make recommendations to the legislative education committees regarding the strengths and weaknesses of those standards. "Cultural competency" includes knowledge of student cultural histories and contexts, as well as family norms and values in different cultures; knowledge and skills in accessing community resources and community and parent outreach; and skills in adapting instruction to students' experiences and identifying cultural contexts for individual students.

OSPI must identify school districts that have the largest achievement gaps and should receive priority for assistance in advancing cultural competency skills. PESB provides assistance to the identified districts to develop partnerships with teacher preparation programs to offer alternative route certification programs and to recruit paraeducators and other individuals in the local community to become certified as teachers. A partnership grant program proposed by an identified district receives priority for alternative route partnership grants. To the maximum extent possible, PESB must coordinate the Recruiting Washington Teachers program with the alternative route programs.

OSPI must take actions to secure federal funds to support data collection and other model programs.

Votes on Final Passage:

Senate	30	18	
House	98	0	(House amended)
Senate	33	15	(Senate concurred)

Effective: July 26, 2009

SB 5974

C 347 L 09

Regarding live nonambulatory livestock.

By Senators Morton, Hatfield, Swecker, Marr and Shin.

Senate Committee on Agriculture & Rural Economic Development
House Committee on Agriculture & Natural Resources

Background: In December 2003 one cow imported from Canada was found in Washington State to have bovine spongiform encephalopathy (BSE). BSE, also known as Mad Cow Disease, exhibits a behavior in cattle where the use of, particularly, the hind legs becomes impaired. There are other maladies and injuries that can affect livestock that are expressed by this similar behavior.

During the following session in 2004, legislation was enacted that made knowingly transporting nonambulatory livestock a gross misdemeanor. This provision was inserted into the state animal cruelty laws. Under this statute, the county prosecutor is required to bring an action.

The Washington State Department of Agriculture (WSDA) has personnel at or near livestock markets and similar facilities.

Summary: It is a civil infraction to knowingly transport or accept delivery of live nonambulatory livestock to, from, or between any livestock market, feedlot, slaughter facility, or similar facility that trades in livestock. Violators may be assessed a monetary penalty not to exceed $1,000. Livestock that was ambulatory prior to transport to a feedlot that become nonambulatory because of an injury may be unloaded and placed in a separate pen for rehabilitation. WSDA has authority to impose the monetary penalty.

Persons not cited for a civil infraction by WSDA may still be criminally prosecuted.

Votes on Final Passage:

Senate	49	0	
House	96	2	(House amended)
Senate	45	0	(Senate concurred)

Effective: July 26, 2009

SB 5976

C 261 L 09

Extending tire replacement fees.

By Senator Haugen.

Senate Committee on Transportation
House Committee on Transportation

Background: From October 1989 until September of 1995, a $1 fee was assessed on the retail sale of each new replacement tire. Revenue generated by the fee was used to fund state and local efforts to remove discarded tires from unauthorized dump sites as well as fund local

enforcement and education programs.

In 2002 the Legislature required the Department of Ecology (DOE) to track and report on increases and decreases in the state's tire recycling rates.

In 2005 the Legislature reinstated the $1 tire fee on the retail sale of each new replacement tire. The fee is scheduled to sunset June 30, 2010. The Waste Tire Removal Account (WTRA) was also created in the State Treasury and monies in the account are used for the cleanup of unauthorized waste tire piles and to implement measures to prevent future accumulation of such piles. Unauthorized waste tire piles are defined as sites with more than 800 tires that are unlicensed for waste tire storage.

Since May 2007 contracts let by DOE to tire recyclers and haulers have resulted in the cleanup of over 41,000 of an estimated 52,000 tons of waste tires from nearly 100 unauthorized waste tire piles. The remainder of the cleanup effort is expected to be completed during the 2009-11 biennium.

In the 2008 transportation budget, the Legislature authorized the transfer of $5.6 million from the WTRA to the Motor Vehicle Account (MVA) for the purpose of funding road wear-related maintenance on public highways.

The permitting of solid waste facilities is a function of jurisdictional health departments in cooperation with DOE while individuals who engage in the business of transporting or storing waste tires are licensed by the DOE.

Summary: The sunset date on the imposition of the $1 fee on the retail sale of each new replacement tire is eliminated. Monies collected from the fee must be deposited in the WTRA. Expenditures from the WTRA are subject to appropriation and may be used to cleanup unauthorized tire piles, measures to prevent the future accumulation of unauthorized waste tire piles, and road wear-related maintenance on state and local public highways.

Monies appropriated to DOE are to fund state and local government waste tire removal from unauthorized tire sites, as well as prevention, planning, and enforcement support for local jurisdictions.

On September 1 of odd-numbered years, the State Treasurer must transfer cash balances exceeding $1 million in the WTRA to the MVA for the purpose of funding road-related maintenance on state and local public highways.

On September 1 of even-numbered years the DOE must report to the legislative transportation committees on the status of waste tire pile cleanup and prevention efforts. The report must detail the number of unauthorized waste tire piles discovered since the last report, a plan to cleanup those sites, a listing of authorized waste tire piles and transporters, and the status of funds available to the program. The first report, due on September 1, 2010, must also include recommendations to the committees for any ongoing prevention program as well as any joint efforts with local governments and the tire industry.

Votes on Final Passage:

Senate	36	11
House	57	40

Effective: July 26, 2009

ESSB 5978

C 374 L 09

Establishing certain consumer rebate requirements.

By Senate Committee on Labor, Commerce & Consumer Protection (originally sponsored by Senators Haugen and Kohl-Welles).

Senate Committee on Labor, Commerce & Consumer Protection
House Committee on Commerce & Labor

Background: Consumer rebates are a type of sales promotion used by marketers, primarily as incentives for product sales. Mail-in rebates are a common type of rebate which requires the consumer to submit information such as a coupon or receipt in order to receive a check for a particular amount, depending on factors such as the particular product, time, and place of purchase.

Summary: Any person who offers a consumer rebate is to allow a minimum of fourteen days from the date the consumer purchases the product, or becomes eligible for the rebate upon satisfying the terms and conditions of the offer, for the submission of a request for redemption by the customer.

The person offering the rebate has 90 days to send the consumer rebate and if the rebate is sent as a check, the check is to be mailed in a way that identifies the piece of mail as the anticipated rebate.

Votes on Final Passage:

Senate	45	0	
House	98	0	(House amended)
Senate	48	0	(Senate concurred)

Effective: July 26, 2009

SB 5980

C 129 L 09

Renaming components of the formula for allotment of appropriations for school plant facilities.

By Senators Oemig, Brandland and Fraser.

Senate Committee on Ways & Means
House Committee on Capital Budget

Background: The School Construction Assistance Grant Program provides state funds to eligible school districts, via appropriation to the Office of Superintendent of Public Instruction (OSPI), to help with construction of school facilities. The amount of state funding is determined by a formula that includes the following factors: student

enrollment; a fixed number of square-feet-per-student varying by grade-level; a fixed area cost allowance per-square-foot; and a percent contribution based on the relative property wealth of a district.

The Joint Legislative Task Force on School Construction Funding (Task Force) was created by the 2007 Legislature to review and evaluate school construction funding issues. In the 2008 session the Legislature directed OSPI to undertake a K-12 school construction funding formula study to analyze aspects of the state's grant program and to present options for formula and program improvements to the Task Force. In October 2008 OSPI and consultant Berk & Associates presented the "K-12 School Construction Funding Formula Transparency Study." Berk & Associates found a wide range of clarity of communications between school districts and citizens about state matching funds. They found that the funding formula is complex and suggested that providing information and materials that clearly communicate the state's funding formula and grant program would help increase understanding. The final report included a recommendation that the state take steps to increase formula transparency, including more accurately naming formula components. Finally, the report suggested specific items to be renamed.

Summary: The following elements of the state funding formula are renamed in affected statutes:

- "State matching funds" to "State funding assistance;"
- "State matching percentage" to "State funding assistance percentage;"
- "Percentage of state assistance" to "State funding assistance percentage;"
- "State assistance" to "State funding assistance;"
- (School district) "matching requirement" to (School district) "local requirement for state funding assistance;" and
- (School district) "matching funds" to (School district) "local funds."

Votes on Final Passage:

Senate	47	0
House	98	0

Effective: July 26, 2009

SSB 5987
C 146 L 09

Authorizing the Washington state department of corrections to develop training for corrections personnel.

By Senate Committee on Human Services & Corrections (originally sponsored by Senators Regala, Hargrove and Shin; by request of Department of Corrections).

Senate Committee on Human Services & Corrections
House Committee on Human Services

Background: The Criminal Justice Training Commission (CJTC) provides basic corrections training, law enforcement training, and educational programs for criminal justice personnel, including commissioned officers, corrections officers, fire marshals, and prosecuting attorneys.

"Basic corrections officer training" is required of all state and local government corrections personnel. The training consists of a 160-hour program covering a wide variety of subjects, including proper use of physical force; security management; interpersonal communication; supervision; discipline; inmate manipulation; inmate mental health problems; booking and intake; fingerprinting; constitutional and criminal law; gangs; hostage survival; critical incident survival; and report writing. All corrections personnel are required to complete the "core training" requirements within the first six months of employment unless waived by the CJTC.

Summary: The requirement to obtain basic corrections officer training through the CJTC does not apply to Department of Corrections (DOC) employees who work for the prisons division. DOC is responsible for identifying training standards, designing training programs, and providing training for those employees. The Secretary of DOC must consult with experts and corrections professionals and solicit input from labor organizations in designing its training requirements.

Training for community corrections officers will continue to be developed and delivered collaboratively between DOC and the CJTC.

All corrections employees with DOC must successfully complete core training requirements and all other requirements for career level certification within a time period specified by the Secretary. The Secretary is responsible for assuring that the training needs of its corrections employees are met and must conduct an annual review of the training program.

Votes on Final Passage:

Senate	48	0
House	98	0

Effective: July 26, 2009

SB 5989
C 147 L 09

Regarding the greenhouse gas emissions performance standard under chapter 80.80 RCW.

By Senator Sheldon.

Senate Committee on Environment, Water & Energy
House Committee on Technology, Energy & Communications

Background: Greenhouse Gas (GHG) Emissions Performance Standard for Electric Generation Plants. In 2007 the Legislature established a GHG emissions performance

standard (EPS) for electric generation. Under the law, electric utilities may not enter into long-term financial commitments for baseload electric generation on or after July 1, 2008, unless the generating plant's emissions are the lower of:

- 1,100 pounds of GHG per megawatt-hour; or
- the average available GHG emissions output as updated by the Department of Community Trade and Economic Development.

"Baseload electric generation" means electric generation from a power plant that is designed and intended to provide electricity at an annualized plant capacity factor of at least 60 percent. "Long-term financial commitment" means (1) either a new ownership interest in baseload electric generation or an upgrade to a baseload electric generation facility; or (2) a new or renewed contract for baseload electric generation with a term of five or more years for the provision of retail power or wholesale power to end-use customers in this state.

Review of Long-Term Financial Commitments by Investor-Owned Utilities (IOUs). In order to enforce the emissions performance standard, the Washington Utilities and Transportation Commission (WUTC) must determine if the baseload power supplied under a long-term financial commitment complies with the EPS. The WUTC is also authorized to decide at that time if, among other things, the company needs the resource and whether the resource is appropriate, taking into consideration such factors as a company's forecasted load. A review of a long-term financial commitment must be conducted under the Administrative Procedures Act.

Cost Deferrals for IOUs. The EPS permits an IOU to defer up to 24 months the costs associated with a long-term financial commitment for baseload electric generation. Recovery of deferred costs is subject to approval by the WUTC.

Eligible Renewable Resources under Initiative 937. Approved by voters in 2006, the Energy Independence Act, also known as Initiative 937, requires electric utilities with 25,000 or more customers to meet targets for energy conservation and for using eligible renewable resources.

Under the Initiative, "eligible renewable resource" includes wind; solar; geothermal energy; landfill and sewage gas; wave and tidal power; and certain biomass and biodiesel fuels. Electricity produced from an eligible renewable resource must be generated in a facility that started operating after March 31, 1999. The facility must either be located in the Pacific Northwest or the electricity from the facility must be delivered into the state on a real-time basis. Incremental electricity produced from efficiency improvements at hydropower facilities owned by qualifying utilities is also an eligible renewable resource, if the improvements were completed after March 31, 1999.

Summary: Simplifying the Review of Long-Term Financial Commitments by IOUs. The provision concerning the review of long-term financial commitments for baseload generation is simplified. When an IOU submits a long-term financial commitment to the WUTC for review, the WUTC is only required to determine if the proposed baseload resource complies with the EPS. All other issues, such as the need for and appropriateness of the resource, will be determined in a subsequent rate case.

Changing Definitions for the Cost-Deferral Process. For the purposes of the cost-deferral process, the definition of "long-term financial commitment" includes an IOU's ownership or power purchase agreement of at least five years associated with an eligible renewable resource under Initiative 937.

Votes on Final Passage:

Senate	47	0
House	98	0

Effective: July 26, 2009

ESB 5995

C 560 L 09

Eliminating certain boards, committees, and commissions and the transfer of certain duties.

By Senators Pridemore, Schoesler and Honeyford; by request of Governor Gregoire.

Senate Committee on Government Operations & Elections

House Committee on Ways & Means

Background: Boards, commissions, councils, and advisory committees (boards) fill a variety of roles. For example, some are responsible for licensing various activities, while others advise state agencies in matters ranging from procedure to technology. Often boards are created as a requirement for a federal grant. Some boards receive staff support from an agency. Members of some boards receive travel compensation and reimbursement from an agency.

Boards can be created in four ways:

1. by general statute giving an agency authority to create a board for one or more purposes;
2. by specific statute naming the board as well as its purpose, powers, and duties;
3. by executive order of the Governor; or
4. by order of the Supreme Court.

On December 16, 2008, the Joint Legislative Audit and Review Committee (JLARC) released the revised version of a report entitled "Review of Boards and Commissions: Pre-Audit." The JLARC report identified 470 boards and commissions currently operating, or not known to have been disbanded.

By January 8 of every odd-numbered year, the Governor must submit to the Legislature a report recommending which boards and commissions should be terminated or consolidated. The report must include executive request

legislation implementing the recommendations of the report.

Summary:

- The intent of the Legislature is to identify criteria to evaluate advisory boards, committees, and commissions that may be eliminated or consolidated.
- The requirement directing the Governor to develop recommendations to the Legislature regarding the suspension and termination of other boards and commissions is removed.
- The following boards, commissions, and committees are eliminated:
  - The Acupuncture Ad Hoc Committee;
  - Adult Family Home Advisory Committee;
  - Boarding Home Advisory Committee;
  - Citizens' Work Group on Health Care Reform;
  - Displaced Homemaker Program Statewide Advisory Committee;
  - Foster Care Endowed Scholarship Advisory Board;
  - Higher Education Coordinating Board Work Study Advisory Committee;
  - Model Toxics Control Act Science Advisory Board;
  - Oil Heat Advisory Committee;
  - Organized Crime Advisory Board;
  - Oversight Committee on Character-Building Residential Services in Prisons;
  - Parks Centennial Advisory Committee;
  - Prescription Drug Purchasing Consortium Advisory Commission;
  - Radiologic Technologists Ad Hoc Committee;
  - Risk Management Advisory Committee;
  - Securities Advisory Committee;
  - Sexual Offender Treatment Providers Advisory Committee; and
  - Vendor Rates Advisory Committee.

Votes on Final Passage:

Senate	48	0	
House	95	0	(House amended)
Senate	46	2	(Senate concurred)

Effective: June 30, 2009

SSB 6000

C 130 L 09

Modifying real estate disclosure requirements regarding homeowners' associations.

By Senate Committee on Financial Institutions, Housing & Insurance (originally sponsored by Senators Fraser, Benton, Tom and Roach).

Senate Committee on Financial Institutions, Housing & Insurance

House Committee on Judiciary

Background: A homeowners' association (HOA) is an organization consisting of the homeowners and property owners within a residential development. HOAs generally levy and collect assessments, manage and maintain common property for the benefit of the residents, and enforce covenants that govern developments. The authority to carry out these functions comes from governing documents including the declaration of covenants, conditions, and restrictions.

A seller of residential land must provide a buyer with a disclosure statement about the property unless the buyer waives the right to receive it. There are disclosure requirements for both improved and unimproved residential real property. These disclosure forms are specified in statute. The seller must check "yes," "no," or "don't know" in response to questions and may be required to explain some answers. The disclosures concern a variety of conditions, including existence of a homeowners association, its name, the size of regular periodic assessments, any pending special assessments, and the presence or absence of common areas.

Summary: In addition to existing disclosure requirements, sellers must provide contact information for an officer, employee, or other authorized agent, if any, who can provide the association's most recent financial statement; minutes from meetings during the last year; a copy of the covenants, bylaws, and rules; and any fining policy.

Failure of an HOA to provide the requested information does not constitute failure or refusal by the seller to provide disclosure and does not invoke a three-day right of rescission.

Votes on Final Passage:

Senate	47	0
House	98	0

Effective: July 26, 2009

SB 6002
C 488 L 09

Abolishing the Washington state quality forum.

By Senators Keiser and Pridemore; by request of Health Care Authority.

Senate Committee on Health & Long-Term Care
Senate Committee on Ways & Means
House Committee on Ways & Means

Background: The Blue Ribbon Commission legislation passed in 2007 created the Washington Quality Forum (Forum) within the Health Care Authority. The Forum's responsibilities include the collection and dissemination of research on health care quality, evidence-based medicine, and patient safety to promote best practices. The Forum is also tasked to coordinate the collection of health care quality data among state health care purchasing agencies, and adopt a set of measures to evaluate and compare health care cost, quality, and provider performance.

Summary: This act eliminates the Forum and repeals the requirement that the Department of Health report adverse events to the Forum.

Votes on Final Passage:

Senate	46	0	
House	95	0	

Effective: July 26, 2009

SSB 6009
C 489 L 09

Concerning long-term care facilities.

By Senate Committee on Health & Long-Term Care (originally sponsored by Senators Keiser, Kastama and Fairley).

Senate Committee on Health & Long-Term Care
House Committee on Health Care & Wellness

Background: Currently, there are 240 licensed nursing facilities in the state, with an average of 91 beds. Approximately half of all residents, about 10,860 people, have services paid through Medicaid contracts with the state, and the rest pay privately. Under current state law, it is illegal to discriminate against Medicaid recipients including to require new residents to give assurances upon admission that they are not eligible or will ever apply for Medicaid. Further, it is also unlawful to deny admission or readmission because of a resident's status as a Medicaid recipient, or to transfer or discharge a patient because of that person's status as a Medicaid recipient.

Summary: Long-term care facilities must fully disclose to residents, orally and in writing prior to admission, the facility's policy on accepting Medicaid as a payment source. This must be done in a language that the resident or the resident's representative understands. The policy must clearly state the circumstances under which the facility provides care to Medicaid eligible residents, and for residents who may later become eligible for Medicaid. Nursing facilities are not required to have a separate disclosure form describing their policy on accepting Medicaid as a payment source.

Votes on Final Passage:

Senate	43	2	
House	97	1	(House amended)
Senate	46	2	(Senate concurred)

Effective: July 26, 2009

E2SSB 6015
C 425 L 09

Directing the department of community, trade, and economic development to review commercialization and innovation in the life sciences and technology sectors.

By Senate Committee on Ways & Means (originally sponsored by Senators Murray, Delvin and Marr).

Senate Committee on Economic Development, Trade & Innovation
Senate Committee on Ways & Means
House Committee on Community & Economic Development & Trade
House Committee on General Government Appropriations

Background: Washington has a number of programs and entities directed at the creation of new technologies and the encouragement of commercialization, both in the life sciences and general technology. Examples include the Washington Technology Center, the Life Sciences Discovery Fund, high tech research and development tax credits, and UW TechTransfer.

Multiple agencies also have jurisdiction over parts of innovation and commercialization, including the Department of Community, Trade, and Economic Development (CTED); the Higher Education Coordinating Board; the Workforce Training Board; the Economic Development Commission (EDC); and the Department of Revenue. Advocates have suggested that these agencies may inadvertently work at cross purposes.

Summary: CTED is required to report to the Legislature and the Governor by December 1, 2009, on methods Washington can use to encourage and support innovation in life sciences and information technology. CTED must look at ways to increase the amount of regional capital for early investments, examine state laws regarding these technologies, evaluate Washington's technology-based economic development efforts, and review the status of technology transfer efforts at research universities.

CTED must provide a draft report to the EDC, which must prepare written observations about the draft report

and its relation to the overall strategies proposed by the EDC.

Votes on Final Passage:

Senate	47	1	
House	92	6	(House amended)
Senate	32	16	(Senate concurred)

Effective: July 26, 2009

SSB 6016
C 546 L 09

Regarding educator training to enhance skills of students with dyslexia.

By Senate Committee on Early Learning & K-12 Education (originally sponsored by Senators Benton, McAuliffe, Swecker, McDermott, Roach, Delvin, Stevens, Honeyford, McCaslin, Morton and Shin).

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

Background: Since 2005 the Legislature has provided funding for up to five school districts to pilot a research-based, multi-sensory literacy intervention for students with dyslexia. Participating schools must have a three-tiered reading structure in place, provide professional development training to teachers, assess students, and collect and maintain data on student progress. In December 2008 the Office of the Superintendent of Public Instruction (OSPI) issued a report to the Legislature regarding the dyslexia pilots. The report found that 40 percent of the students who received services through the pilots met standard on the reading component of the Washington Assessment of Student Learning (WASL), whereas only 17 percent of the same students had met standards on the reading WASL in 2007. The report included recommendations to provide statewide support and to develop a dyslexia handbook.

Summary: The Legislature intends to sustain the work of the dyslexia pilot projects and expand the implementation to a level of statewide support.

Within available resources, OSPI must develop an educator training program to enhance the academic skills of students with dyslexia by implementing the findings of the dyslexia pilot program. The training program must be posted on the website of OSPI and may be regionally delivered through the Educational Service Districts (ESDs). Beginning September 1, 2009, the ESDs must annually report to OSPI the number of individuals who participate in the ESD training. OSPI must report that information to the legislative education committees.

OSPI must develop a dyslexia handbook to be used as a reference for teachers and parents of students with dyslexia. The handbook must be modeled after other state dyslexia handbooks. OSPI must post the handbook on it's website.

When developing the educator training program and the handbook, OSPI must consult the school districts that participated in the dyslexia pilot programs and an international non-profit organization dedicated to supporting identification of and instruction for individuals with dyslexia. The ESDs may seek assistance from the international non-profit organization to deliver the training.

Votes on Final Passage:

Senate	48	0	
House	98	0	(House amended)
Senate	48	0	(Senate concurred)

Effective: July 26, 2009

SSB 6019
C 131 L 09

Concerning employee wellness programs.

By Senate Committee on Health & Long-Term Care (originally sponsored by Senators Keiser, Parlette, Kilmer, Jarrett, Tom, Holmquist, Pflug, Shin and Schoesler).

Senate Committee on Health & Long-Term Care
House Committee on Health Care & Wellness

Background: Health carriers develop rates for small groups based on an adjusted community rate that may be varied for geographic area, family size, age, and wellness activities. Wellness activities include an explicit activity consistent with Department of Health guidelines, 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 for the purpose of improving enrollee health status and reducing health service costs. A discount for wellness activities may reflect actuarially justified differences in utilization or cost attributed to such programs.

Summary: Health insurance carriers may allow a wellness discount of up to 20 percent for small employers that develop and implement a wellness program that directly improves employee wellness. Employers must document program activities and may request a reduction in premiums based on three years of experience.

Carriers may review the employer's claim history to determine whether the wellness program has improved employee health, except carriers may not use claims for maternity or prevention services to deny the employer's request. Carriers may consider such areas as improved productivity or a reduction in absenteeism due to illness if documentation is submitted by the employer. Interested employers may work with the carrier to develop a wellness program and a means to track improved employee health.

Votes on Final Passage:

Senate	45	0
House	98	0

Effective: July 26, 2009

SSB 6024

C 198 L 09

Addressing applications for public assistance from persons currently ineligible to receive assistance.

By Senate Committee on Human Services & Corrections (originally sponsored by Senators Brandland, Hargrove, McAuliffe, Stevens and Carrell).

Senate Committee on Human Services & Corrections
House Committee on Early Learning & Children's Services
House Committee on Human Services

Background: The state provides public assistance to persons in the state of Washington who meet income requirements and other eligibility criteria. Medical assistance is a form of public assistance, and is supported by programs which provide federal matching funds, such as Medicaid. Federal matching funds cannot be used to provide medical assistance to a person who is in the custody of a jail, prison, or secure mental health facility with more than 16 beds. State law also prohibits providing public assistance to persons residing in these institutions.

State law prohibits a person who is not currently eligible for public assistance from applying for public assistance unless the person can show that he or she will become eligible within 45 days. This is known as the "45 day rule."

Jail detainees whose cases have not been adjudicated do not have an established release date from custody, although jail stays are typically short. The 45 day rule has been applied to prevent jail detainees from applying for public assistance following release from custody when the jail detainee does not have an established release date.

Summary: A person who is not currently eligible for public assistance may apply for public assistance when the date at which the person will become eligible is either unknown or further than 45 days away. Public assistance may not be provided to a person while the person is residing in a jail, prison, or other public institution as the term is defined in chapter 74.08 RCW. This act has an effective date of November 1, 2009.

Votes on Final Passage:

Senate	48	0
House	97	1

Effective: November 1, 2009

ESB 6033

PARTIAL VETO

C 386 L 09

Creating the prevent or reduce owner-occupied foreclosure program.

By Senators Berkey, Fairley, Kauffman, McAuliffe, Tom, Marr, Prentice, Shin, Fraser, Kohl-Welles, Eide, McDermott, Jarrett, Regala, Hobbs, Kline, Jacobsen, Murray, Franklin, Hatfield, Kilmer, Haugen, Hargrove and Sheldon.

Senate Committee on Financial Institutions, Housing & Insurance
House Committee on Financial Institutions & Insurance

Background: In September 2007 the Governor established the Task Force for Homeowner Security (Task Force) to evaluate instability in the mortgage market and minimize its then impending impact in Washington. Since that time, the instability in the mortgage market and its economic consequences have made a significant impact on both the residential housing market and the economy in this state.

The Smart Homeownership Choices Program, enacted and funded early in 2008, addresses the Task Force's recommendation to provide grants or loans to assist qualifying low-income and moderate-income homeowners who are delinquent on their mortgage payments.

Under this program, the Department of Financial Institutions (DFI) funds the Washington State Housing Finance Commission (Commission), as needed, to implement and operate the program for the sole purpose of preventing foreclosures.

The Commission assists homeowners who are delinquent on their mortgage payments in bringing their mortgage payments current so they may refinance the purchase of their homes. The Commission determines the terms and conditions of the assistance. Financial assistance received by homeowners must be repaid at the time of refinancing. Homeowners receiving financial assistance must agree to participate in a Residential Mortgage Counseling Program.

Not more than 4 percent of the total appropriation for the program may be used for administrative expenses of the DFI and the Commission. The Commission must also establish and report upon measures to gauge program's efficiency and effectiveness and customer satisfaction.

The monies appropriated for the Smart Homeownership Choices Program remain largely unspent.

A Financial Literacy and Education Program, enacted and funded early in 2008 and implementing another recommendation of the Task Force, provides counseling and education to prospective homeowners and homeowners facing foreclosure. This program is provided through DFI contracts with counselors certified either by the federal Department of Housing and Urban Development (HUD) or certified by DFI itself.

Summary: The monies remaining unspent for the Smart Homeownership Choices Program are made available to the Prevent or Reduce Owner-Occupied Foreclosure Program (PROOF). The Smart Homeownership Choices Program is replaced by PROOF. This program is created to assist borrowers facing foreclosure in achieving results that keep borrowers in their homes. Qualifying borrowers are those who live in Washington State with emphasis on those with incomes up to and including 140 percent of the county median income level.

PROOF provides a pool of unpaid volunteers from relevant professions, such as accountants, bankers, and attorneys, who provide advice to borrowers in the work-out process. The Commission implements the program by which volunteers and borrowers are paired in the most productive manner.

Not more than 4 percent of the total appropriation for PROOF may be used for administrative expenses of DFI and the Commission. The Commission must also establish and report upon measures to gauge the program's efficiency and effectiveness and customer satisfaction.

The Housing Finance Commission must establish an oversight committee to serve as the principal advisory body to the commission for PROOF. The 14-member committee is comprised of two members of the Senate, two members of the House of Representatives, the Director of the Department of Financial Institutions, the Executive Director of the Housing Finance Commission, the Office of Civil Legal Aid, the Washington Bankers' Association, the State Board of Accountancy, the Washington State Bar Association, representatives of community banks, mortgage brokers, housing counselors, and credit unions. All members serve without compensation.

The committee must evaluate PROOF's success, maintain an inventory of state and federal housing assistance programs, and coordinate the efforts of PROOF.

The act is repealed on June 30, 2011.

Votes on Final Passage:

Senate	46	0	
House	98	0	(House amended)
Senate	48	0	(Senate concurred)

Effective: July 26, 2009

Partial Veto Summary: The Governor vetoed the requirement that the Housing Finance Commission establish an oversight committee.

VETO MESSAGE ON ESB 6033

May 7, 2009

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I have approved, except for Section 4, Engrossed Senate Bill 6033 entitled:

"AN ACT Relating to creating the prevent or reduce owner-occupied foreclosure program."

Section 4 of this bill requires the Washington State Housing Finance Commission to establish an oversight committee to prevent or reduce owner-occupied home foreclosures. The committee is tasked with developing criteria for the success of the program, periodically evaluating the effectiveness of the program, developing and maintaining an inventory of state and federal housing assistance programs directed to stabilize owner-occupied homes and coordinating all state efforts related to prevention or reduction of owner-occupied foreclosures. These tasks are all important.

The Washington State Housing Finance Commission and Department of Financial Institutions, however, already have the authority to consult with stakeholders on these topics. Therefore I am vetoing Section 4 of this bill and ask that the directors of the Washington Housing Finance Commission and the Department of Financial Institutions exercise their authority to seek input from stakeholders when establishing the program.

For this reason, I have vetoed Section 4 of Engrossed Senate Bill 6033. With the exception of Section 4, Engrossed Senate Bill 6033 is approved.

Respectfully submitted,

Christine O. Gregoire
Governor

SSB 6036

C 457 L 09

Concerning water cleanup planning and implementation.

By Senate Committee on Environment, Water & Energy (originally sponsored by Senators Fraser, Ranker and Shin).

Senate Committee on Environment, Water & Energy
House Committee on Agriculture & Natural Resources

Background: The modern framework for federal water pollution control regulation was enacted in 1972 as federal law amendments now referred to as the Clean Water Act (CWA). The CWA sets a national goal to restore and maintain the chemical, physical, and biological integrity of the nation's waters and to eliminate discharge of pollutants into navigable waters.

The CWA also requires states to adopt standards to protect fish and other aquatic life as well as humans using water for recreation, drinking water, and fish. Water quality standards are rules specifying the desired water quality to be achieved or maintained and protecting existing water quality from degradation.

The Department of Ecology (Ecology) is the state agency delegated authority to implement provisions of the federal CWA. Under that authority, Ecology develops total maximum daily load assessments and allocations (TMDLs) for water bodies that violate water quality standards. The objective of a TMDL is to allocate allowable loads among different pollutant sources so that the appropriate control actions can be taken and water quality standards achieved. The TMDLs are submitted to the U. S. Environmental Protection Agency (EPA) for approval.

Summary: Ecology must amend the state's water quality standards to authorize compliance schedules longer than ten years for discharge permits that implement allocations

contained in a TMDL. Any such amendment must be submitted to the EPA under the CWA. Compliance schedules for the permits may exceed ten years if Ecology determines that:

- the permittee is meeting its requirements under the TMDL as soon as possible;
- the actions proposed in the compliance schedule are sufficient to achieve water quality standards as soon as possible;
- a compliance schedule is appropriate; and
- the permittee is not able to meet its waste load allocation solely by controlling and treating its own effluent.

Votes on Final Passage:

Senate	48	0	
House	98	0	(House amended)
Senate	48	0	(Senate concurred)

Effective: July 26, 2009

SB 6068
C 181 L 09

Modifying the definition of "conviction" for the purposes of the uniform commercial driver's license act.

By Senators Swecker, Haugen, King and Shin; by request of Department of Licensing.

Senate Committee on Transportation
House Committee on Transportation

Background: Under current law, a person who has been charged with a misdemeanor or gross misdemeanor may petition the court for entry into a deferred prosecution program if the person alleges that the wrongful conduct charged is the result of or caused by alcoholism, drug addiction, or mental health problems. A deferred prosecution program consists of treatment for the underlying problem, along with other conditions which may be imposed by the court. Entry into the program defers prosecution for the criminal offense charged, and the charge is dismissed upon successful completion of the program. Deferred prosecutions are most commonly granted in DUI cases.

Federal regulations prohibit states from masking, deferring imposition of judgment, or allowing an individual to enter into a diversion program that would prevent a Commercial Driver's License (CDL) driver's conviction for any violation, in any type of motor vehicle, of a state or local traffic control law (except a parking violation) from appearing on the driver's record. A recent audit of Washington's CDL program by the Federal Motor Carrier Safety Administration has determined that entry into a deferred prosecution program is equivalent to a conviction for purposes of the federal regulations.

Summary: Entry into a deferred prosecution program is treated as a conviction for CDL purposes.

Votes on Final Passage:

Senate	47	0
House	64	34

Effective: July 26, 2009

SB 6070
C 426 L 09

Regarding disposal of dredged riverbed materials.

By Senator Hatfield.

Senate Committee on Natural Resources, Ocean & Recreation
Senate Committee on Ways & Means
House Committee on Agriculture & Natural Resources
House Committee on General Government Appropriations

Background: Generally, any person may apply to remove valuable materials such as sand, rock, and gravel from state-owned beds of navigable waters. The Department of Natural Resources (DNR) may approve such applications if it determines that such removal is in the best interest of the state. Such removal is subject to a royalty, which is paid to DNR.

DNR may determine the royalty by negotiation, sealed bid, or through public auction. However, DNR must consider the flood protection value to the public when establishing a royalty.

Landowners who sold dredge spoils removed from the state-owned beds and shores of the Toutle River, Coweeman River, and a portion of the Cowlitz River between 1980 and 1995 were exempted from DNR's royalty on valuable materials.

Summary: A landowner that has accepted materials dredged from the Coweeman River, Toutle River, or a specified segment of the Cowlitz River onto his or her property prior to January 1, 2009, may sell, transfer, or otherwise dispose of the materials without having to pay compensation to DNR, if the materials were removed from the rivers for the benefit of navigation or flood control.

Dredge spoils removed from the specified rivers between January 1, 2009, and December 31, 2017, may only be sold, transferred, or disposed without paying compensation to DNR if the land where the materials are located was not used as a source for the commercial sale of similar materials prior to the beginning of the year 2009.

Prior to removing and selling the materials, the landowner must notify DNR as to how much and what type of material is being removed. DNR must provide a biennial report to the Legislature that provides a summation of funds that would have accrued to the state if landowners were required to compensate DNR for the materials.

Votes on Final Passage:

Senate	46	2	
House	90	7	(House amended)
Senate	48	0	(Senate concurred)

Effective: July 26, 2009

SSB 6088
C 427 L 09

Addressing commute trip reduction for state agencies.

By Senate Committee on Transportation (originally sponsored by Senators Fraser, Swecker, Haugen, Eide, Marr, Sheldon, Berkey, Benton and Shin).

Senate Committee on Transportation
House Committee on Transportation
House Committee on Capital Budget

Background: The goals of the Commute Trip Reduction (CTR) law are to reduce air pollution, traffic congestion, and fuel consumption through employer-based programs that decrease the number of employees traveling by single-occupant vehicles to the workplace.

Each county containing an urban growth area (UGA), and each city within an UGA with a state highway segment exceeding the 100 person hours-of-delay threshold, as well as those counties and cities located in any contiguous UGA, are required to adopt a CTR plan and ordinance for major employers in the affected UGA. Person hours-of-delay means the daily person hours-of-delay per mile in the peak period of 6 a.m. to 9 a.m.

Each major employer in a jurisdiction that adopts a CTR plan must develop and implement a CTR program. Major employer means a private or public employer, including a state agency, that has 100 or more full-time employees at a single worksite who begin their regular workday between 6 a.m. and 9 a.m.

The Legislature intends the state to take a leadership role in effective CTR programs through the adoption of aggressive, substantive CTR programs by state agencies. The General Administration (GA) coordinates an interagency board (Board) to develop policies and guidelines regarding CTR strategies that can be applied to all state agencies. GA reviews the program of each state agency to determine if the program meets the policies and guidelines developed by the Board. GA also reviews each agency's internal report on the performance of its program, and submits a biennial report for state agencies that is submitted to the Governor. The report is also incorporated into the CTR Board's report to the Legislature.

State agencies sharing a common location in CTR affected urban areas where the total number of state employees is 100 or more are required to develop and implement a joint commute trip reduction program. Common location is interpreted to mean a common building. The GA must assist these agencies in creating the joint program.

Summary: The responsibilities that are with GA regarding coordination of state agency CTR programs are moved to the Department of Transportation (DOT).

In addition to the responsibilities formerly held by GA, DOT must develop a joint comprehensive commute trip reduction plan for all state agencies, including institutions of higher education, located in the Olympia, Lacey, and Tumwater UGAs. In developing the plan, DOT must consult with applicable state agencies, including institutions of higher education, local jurisdictions, regional transportation planning organizations, transit agencies, and the capital campus design advisory committee. The plan may include strategies to accommodate differences in worksite size and location. Within 90 days of the adoption of the joint comprehensive commute trip reduction plan, state agencies within the three UGAs must implement a commute trip reduction program consistent with the objectives and strategies of the plan.

DOT may coordinate a Board or other interested parties to create policies and guidelines that promote consistency among state agency CTR programs with the requirements developed under the joint comprehensive commute trip reduction plan, the CTR requirements for counties and cities, and the CTR requirements for employers.

Votes on Final Passage:

Senate	48	0	
House	62	35	(House amended)
Senate	46	2	(Senate concurred)

Effective: July 26, 2009

SSB 6095
C 496 L 09

Clarifying that retirement costs continue to be authorized as a charge included in the Puget Sound pilotage district tariff.

By Senate Committee on Transportation (originally sponsored by Senators Haugen and Swecker).

Senate Committee on Transportation
House Committee on Transportation

Background: Under current law, the Board of Pilotage Commissioners (Board) must provide for the maintenance of efficient and competent pilotage service on the waters of the Puget Sound pilotage district and the Grays Harbor pilotage district. To this end, the Board examines the proficiency of potential pilots, licenses pilots, enforces the use of pilots, sets pilotage rates, investigates reported accidents involving pilots, keeps records of various matters affecting pilotage, and performs various other duties as required by law.

Summary: As part of its annual tariff (rate) setting process for pilotage services, the Board may fix a charge in the Puget Sound pilotage district tariff that covers various

retirement costs incurred in the prior year for pilot retirement plans.

Votes on Final Passage:

Senate	37	9	
House	95	2	(House amended)
Senate	41	8	(Senate concurred)

Effective: July 26, 2009

SB 6096
C 494 L 09

Concerning the taxation of the manufacturing and selling of fuel for consumption outside the waters of the United States by vessels in foreign commerce.

By Senator Tom.

Senate Committee on Ways & Means

Background: Washington's major business tax is the business and occupation (B&O) tax. The B&O tax is imposed on the gross receipts of business activities conducted within the state. In general, there are no deductions for the costs of doing business. Revenues are deposited in the state General Fund. A business may have more than one B&O tax rate, depending on the types of activities conducted. There are a number of different rates. The main rates are 0.471 percent for retailing; 0.484 percent for manufacturing, wholesaling, and extracting; and 1.5 percent for professional and personal services, and activities not classified elsewhere.

In 1985 the Legislature enacted a deduction for income derived from sales of fuel for consumption outside the territorial waters of the United States, by vessels used primarily in foreign commerce. This type of fuel is referred to as "bunker fuel."

Until 1987 businesses were taxable under the B&O tax only under a single classification under the multiple activities exemption, which exempted a firm's production activities if it also had selling activities. However, in the 1987 court decision *Tyler Pipe v. State of Washington*, the U.S. Supreme Court held that Washington's tax system discriminated against interstate commerce, because intrastate activities were taxed only once, whereas interstate activities could potentially be taxed twice: once in Washington and a second time on the same activity in another state. Therefore, in 1987, the Legislature enacted the Multiple Activities Tax Credit (MATC).

The MATC allows taxpayers who engage in more than one taxable activity under the B&O tax (e.g., manufacturing and retailing) to credit the tax due on one activity against the other. Also, this credit allows firms that are subject to state or local gross receipts taxes in other states to credit these taxes against the B&O tax liability on income derived from the same product or activity.

Summary: The Legislature finds that at the time the bunker fuel deduction was enacted, the deduction only applied to the wholesaling or retailing activities under the multiple activities exemption, and that the enactment of the MATC did not evince legislative intent to exempt bunker fuel manufacturing activities from the B&O tax. The act clarifies that income from wholesaling and retailing of bunker fuel can be deducted from the B&O tax; however, manufacturing of bunker fuel is taxable under the B&O manufacturing classification, whether the value of the fuel is measured by the gross proceeds of the sale or otherwise under RCW 82.04.450.

The Department of Revenue (DOR) must take any actions that are necessary to ensure that its rules and other interpretive statements are consistent with this act.

The act applies prospectively and retroactively. The act includes a severability clause.

Votes on Final Passage:

Senate	29	19
House	50	46
House	51	45

Effective: May 14, 2009

SB 6104
C 428 L 09

Addressing state agency hours of operation.

By Senators Prentice and Tom; by request of Office of Financial Management and Department of Personnel.

Senate Committee on Ways & Means
House Committee on State Government & Tribal Affairs

Background: State law requires all state offices to be open for business from 8:00 a.m. until 5:00 p.m., Monday through Friday, with an exception for legal holidays. In addition, the state Public Records Act requires state agencies to make public records available for inspection and copying during customary office hours of at least 30 hours per week or from 9:00 a.m. until noon and from 1:00 p.m. until 4:00 p.m., Monday through Friday, with an exception for legal holidays.

Summary: State offices must be open at least 40 hours per week and public records must be available for inspection and copying at least 30 hours per week. Specific times of day are not specified. Exceptions are allowed for weeks that include legal holidays. Agencies and offices must post customary business hours on their websites and otherwise make their business hours known to the public.

Votes on Final Passage:

Senate	44	0	
House	98	0	(House amended)
Senate	49	0	(Senate concurred)

Effective: July 26, 2009

ESSB 6108
C 576 L 09

Allowing the state lottery commission to enter into an agreement to conduct an additional shared lottery game.

By Senate Committee on Ways & Means (originally sponsored by Senators Prentice, Holmquist and Kohl-Welles).

Senate Committee on Ways & Means
House Committee on Ways & Means

Background: The Washington Lottery (Lottery) was established in 1982. Lottery revenues, after payment of prizes and administrative expenses, are used for education construction, paying off stadium bonds, problem gambling services, economic development, and the General Fund.

In 2002 the Legislature authorized the Lottery to participate in a multistate shared game lottery. After a transfer of 0.013 percent to the Problem Gambling Account, revenues from the shared game lottery are transferred to the Education Construction Account until it reaches $102 million. If the total revenues transferred to the Education Construction Account reach $102 million, any amounts remaining after the transfers to the Education Construction Account are deposited into the General Fund.

There are two multistate lottery game organizations with various member states: the Mega Millions consortium, of which Washington is a member, has 12 member states; and, the Multi-State Lottery Association, which runs Powerball games, has 29 member states and the District of Columbia.

Summary: The Washington State Lottery Commission is authorized to enter into an agreement for a second multistate lottery game known as Powerball. After distributions to the Education Construction Account, net revenues from the Powerball game will be transferred to the state General Fund for the Student Achievement Program.

Votes on Final Passage:

Senate	35	12	
House	60	35	(House amended)
Senate	31	15	(Senate concurred)

Effective: July 26, 2009

SB 6121
C 577 L 09

Regarding the surcharge to fund biotoxin testing and monitoring.

By Senators Tom, Zarelli and Keiser; by request of Department of Health.

Senate Committee on Ways & Means
House Committee on Ways & Means

Background: The Department of Health's (DOH) Environmental Health program conducts testing and monitoring of biotoxins in the recreational shellfish fisheries. In the event dangerous levels of toxins are detected, the DOH has authorization to close shellfish beds and beaches.

The Olympic Region Harmful Algal Bloom Monitoring Program is a collaboration of government, academia, businesses, and tribes established to study harmful algal blooms on the Washington coast. The program is based in the Olympic Natural Resources Center and administered by the University of Washington (UW).

The 2003 Legislature authorized the increase of shellfish license fees to cover the cost of shellfish testing and algal bloom monitoring through an assessment of various surcharges. Amounts collected must be deposited in the General Fund-Local Account managed by the DOH except $150,000 per year which is deposited into the General Fund-Local Account managed by the UW with the amounts in excess of the annual costs being transferred to the State General Fund.

The 2005 Legislature authorized the UW's $150,000 annual appropriation to carry over into ensuing biennia rather than be transferred to the Sate General Fund and authorizes the DOH to carry forward its unspent biotoxin and monitoring funds. The DOH and the UW must provide an annual letter to the Legislature on the status of expenditures.

The Department of Fish and Wildlife is currently authorized by statute to collect:

- $3.00 surcharge from the sale of resident and nonresident shellfish and seaweed licenses;
- $2.00 surcharge on resident and nonresident adult combination licenses;
- $2.00 surcharge on annual resident and nonresident razor clam licenses; and
- $1.00 surcharge for the three-day razor clam license.

Summary: The Biotoxin Account is created and will be administered by DOH for the testing and monitoring of biotoxins and the Olympic Region Harmful Algal Bloom Monitoring Program. Any monies from surcharges remaining in the General Fund-Local Account after the 2007-2009 biennium must be transferred to the Biotoxin Account.

Votes on Final Passage:

Senate	48	0
House	95	0

Effective: July 1, 2009

SSB 6122
PARTIAL VETO
C 415 L 09

Reducing costs of the elections division of the office of the secretary of state.

By Senate Committee on Ways & Means (originally sponsored by Senators Prentice, Zarelli and Brandland; by request of Secretary of State).

Senate Committee on Ways & Means
House Committee on Ways & Means

Background: Legal Advertising. The State Constitution (Constitution) provides that a constitutional amendment is subject to approval by the voters of the state. The Constitution also provides for direct legislation by the people through the initiative and referendum process.

The Constitution requires public notice of proposed constitutional amendments, initiatives, and referenda. The Secretary of State (SOS) is required by the Constitution to send a copy of the proposed amendment, initiative, or referendum, with arguments for and against the proposal, to every residence in the state. The Constitution also requires notice of proposed constitutional amendments be published in every legal newspaper in the state at least four times during the four weeks preceding the election. The constitutional requirement for publication of legal notice of constitutional amendments is supplemented by statutes requiring, within available funds, publication of notice of initiatives and referenda and an equivalent amount of radio and television advertisements. The published notices are required by statute to contain the measure's ballot title, a summary of the law as it currently exists and the effect of the proposal if adopted, and the total number of votes cast for and against the measure in the Legislature.

Voters' Pamphlet. The Voters' Pamphlet is printed by the State Printer (SP) on behalf of the SOS. The pamphlet is mailed to approximately 2.4 million residences in the state. For statewide ballot measures, the Voters' Pamphlet contains the ballot title, an explanatory statement prepared by the Attorney General, a fiscal impact statement prepared by the Office of Financial Management, and arguments for and against the measure.

The Voters' Pamphlet also includes candidate statements, not exceeding 300 words, for each federal office appearing on the ballot (President, Vice President, Senator, and Representative) and Governor. Candidate statements for all other statewide executive positions, state senators, and judicial positions cannot exceed 200 words. Candidate statements for state representatives cannot exceed 100 words.

Election Certification and Training. Under the supervision of an Election Administration and Certification Board, the SOS operates an elections certification and training program for county elections administration officials. The board consists of state elections officials and representatives of county auditors, legislators, and political parties. The certification and training program reviews each county elections office once every three years. The SOS also provides training and related travel expenses to elections observers designated by each major political party.

Miscellaneous. The SOS must print and distribute postage-free envelopes and voting instructions for overseas and military service voters. These materials are sent to overseas and service voters by county auditors.

The SOS must distribute a printed manual of election laws and rules. The SOS must also print and distribute a voter guide describing what constitutes voter fraud and discrimination under state election laws.

Summary: Legal Advertising. For the purposes of legal advertising, $160,000 is appropriated from the state General Fund.

Voters' Pamphlet. The requirement that the Voters' Pamphlet be printed by the SP is eliminated.

Election Certification and Training. The review period for county elections offices is extended to five years. The training and reimbursement of election observers designated by political parties is eliminated.

Miscellaneous. Envelopes and instructions for overseas and service voters will be printed by county auditors instead of the SOS. The election manual and voter guide are eliminated.

Votes on Final Passage:

Senate	44	0	
House	90	4	(House amended)
Senate	42	5	(Senate concurred)

Effective: July 26, 2009

Partial Veto Summary: The Governor vetoed the section authorizing the Voters' Pamphlet to be printed without the SP.

VETO MESSAGE ON SSB 6122

May 8, 2009

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I have approved, except for Section 1, Substitute Senate Bill 6122 entitled:

"AN ACT Relating to reducing costs of the elections division of the office of the secretary of state."

Section 1 of Substitute Senate Bill 6122 exempts the Elections Division from being required to use the State Printer for printing Voter Pamphlets. The State Printer provides consolidated and centralized print services on behalf of the State. Preserving that centralized capability brings important cost savings and efficiencies to State agencies. If the State Printer is not able to meet the price available to the Office of the Secretary of State from other printers, however, I will direct the State Printer to allow the Office of the Secretary of State to print the Voter Pamphlet elsewhere.

For this reason, I have vetoed Section 1 of Substitute Senate Bill 6122. With the exception of Section 1, Substitute Senate Bill 6122 is approved.

Respectfully submitted,

Christine O. Gregoire
Governor

SB 6126
C 429 L 09

Concerning boxing, martial arts, and wrestling events.

By Senators Prentice and Tom.

Senate Committee on Ways & Means
House Committee on Ways & Means

Background: The Department of Licensing (Department) currently regulates boxing, martial arts, and wrestling events. The Department licenses participants, including fighters, promoters, managers, and referees. For events to occur legally in Washington, the participants must be licensed. Additionally, a 5 percent tax must also be paid on gross receipts from the event. Funds from the fees and tax go into the state General Fund.

The Department or a designee must attend all events and can take disciplinary action if an event fails to have licensed participants or pay its fee. This licensing program is not required to be self-supporting.

Summary: The tax is changed into an event fee, which will be collected by the Department and deposited into the Business and Professions Account. The fees currently assessed should also be deposited into the Business and Professions Account. The Department has the authority to set these fees by rule and the fees should be set in amounts that fully cover the cost of regulating the industry.

Provisions related to complimentary tickets are removed.

Votes on Final Passage:

Senate	40	6	
House	50	44	(House amended)
Senate	34	13	(Senate concurred)

Effective: July 26, 2009

ESB 6137
C 547 L 09

Concerning common schools fund transfers.

By Senator Prentice.

Senate Committee on Ways & Means

Background: The 2007-09 Omnibus Appropriations Act provides transfer authority among the various appropriations to the Office of Superintendent of Public Instruction (OSPI) for the support of K-12 common schools. Under Substitute House Bill 1244 (omnibus operating budget) enacted in the 2009 Legislative Session, the specific program appropriations that are allowed to be transferred are general apportionment; employee compensation adjustments; pupil transportation; special education programs; institutional education programs; transitional bilingual programs; and learning assistance programs. Given the potential volatility around caseloads and other cost drivers in these programs, the purpose of this transfer authority is to provide additional flexibility to OSPI in managing its overall appropriation level.

Summary: The list of OSPI appropriations that may be transferred to cover under or over expenditures in other programs is expanded to include the I-728 Student Achievement Fund allocations.

Votes on Final Passage:

Senate	47	0
House	96	0

Effective: May 18, 2009

SB 6157
C 430 L 09

Calculating compensation for public retirement purposes during the 2009-2011 fiscal biennium.

By Senators Prentice, Tom, Hobbs and Fraser.

Senate Committee on Ways & Means
House Committee on Ways & Means

Background: In the Public Employees' Retirement System (PERS) Plans 1 and 2 benefits are calculated by multiplying a member's years of eligible service multiplied by 2 percent of their final average compensation. For members of the PERS Plan 1, final average compensation is the average level of annual pay received from plan-eligible employment over the last two years before the member retires. For members of the PERS Plan 2, final average compensation is calculated in a similar fashion but over the final five years of plan-eligible employment rather than two years.

The PERS Plan 3 is a "hybrid" plan design in which employer contributions are made to support a defined benefit, and employee contributions are made into individual defined contribution accounts. A Plan 3 member's defined benefit is based upon the number of qualified years of service the member has worked multiplied by 1 percent of the average final compensation. A member's final average compensation in the PERS Plan 3 is computed using the same formula used for members of the PERS Plan 2.

A member whose salary is reduced during the two or five year period prior to retirement due to a reduced schedule, leave without pay, or other reasons will receive a smaller retirement allowance due to the lower final average compensation. A member may purchase up to two years of service credit for time spent on leave without pay, however there are no provisions to purchase an increase of

a member's final average compensation in the event that the member works a reduced schedule.

Summary: The Department of Retirement Systems is directed to include in a member's salary for the purpose of calculating final average compensation any compensation that is forgone by the member during the 2009-2011 fiscal biennium as a result of reduced work hours, voluntary leave without pay, or temporary furloughs, provided that the reduced compensation is part of the employer's efforts to reduce expenditures.

Votes on Final Passage:

Senate	35	12
House	94	0

Effective: July 26, 2009

ESB 6158

C 544 L 09

Delaying the implementation of the family leave insurance program.

By Senators Keiser, Brown, Prentice and Tom.

Senate Committee on Ways & Means

Background: The Family Leave Insurance Program was enacted in 2007 to provide a partial wage replacement program for individuals who are unable to perform their regular or customary work because they are on family leave. The program is to begin paying $250 per week for up to five weeks starting October 1, 2009, to eligible individuals. To be eligible the individual must work at least 680 hours in employment covered by unemployment compensation.

The program also establishes the Family Leave Insurance Account and provides the Director of Labor and Industries (L&I) authority to lend funds from the Supplemental Pension Fund to the Family Leave Insurance Account. The 2007-09 budget provides L&I $18 million in appropriation authority from the Family Leave Insurance Account for initial administrative expenses.

Summary: Implementation of the Family Leave Insurance Program is delayed for three years. Benefits are payable beginning October 1, 2012 (instead of October 1, 2009). Annual reports must be submitted to the Legislature beginning September 1, 2013 (instead of September 1, 2010).

Votes on Final Passage:

Senate	29	14
House	61	34

Effective: July 26, 2009

SSB 6161

C 561 L 09

Addressing the actuarial funding of pension systems.

By Senate Committee on Ways & Means (originally sponsored by Senator Prentice).

Senate Committee on Ways & Means
House Committee on Ways & Means

Background: The Pension Funding Council (PFC) was created by the Legislature in 1998 to adopt the long-term economic assumptions and employer contribution rates for most of the state's retirement systems. The PFC also administers audits of the actuarial analysis produced for the PFC by the State Actuary. The membership of the PFC consists of the chair and ranking minority members of the Senate Ways and Means Committee and the House Appropriations Committee, and the directors of the Office of Financial Management (OFM) and the Department of Retirement Systems (DRS).

The Office of the State Actuary is responsible for recommending appropriate member and employer contribution rates for the Public Employees', Teachers', School Employees', and Washington State Patrol Retirement Systems (WSPRS) and the Law Enforcement Officers' and Fire Fighters' (LEOFF) Retirement System Plan 1 to the PFC. The PFC holds meetings during the summer of even-numbered years, and is required to adopt the pension contribution rates for the upcoming fiscal biennium no later than July 31 of those even-numbered years.

Prior to the adoption of contribution rates, the PFC submits the audited contribution rates to the Select Committee on Pension Policy (SCPP), which may make recommendations on changes to assumptions or rates. The contribution rates adopted by the PFC are subject to revision by the Legislature.

Every four years the State Actuary conducts a study of the experience and financial condition of the retirement systems and submits the findings to the PFC for review. The PFC may adopt changes to the long-term economic assumptions used by the State Actuary and by the DRS. These assumptions include the long-term rate of investment return, the long-term rate wage growth, and inflation. During the 2008 interim, the PFC adopted changes to the long-term economic assumptions is May 31, 2008. At this meeting, the PFC voted to reduce the total salary growth assumption from 4.5 percent to 4.25 percent and to adopt new mortality tables reflecting increased lifespans.

The choice of an actuarial funding method determines the way pension contributions will be allocated across members' working careers. The portion of the present value of a pension that is allocated to a particular period of a member's career, most typically an annual period, is referred to in actuarial practice as the "normal cost." The total cost of a pension is determined by the benefits paid out less the returns on investment of fund assets. All standard actuarial funding methods are designed to completely fund

a member's retirement benefit before retirement, though they may allocate different portions of the total cost to different periods of a member's career.

The current actuarial funding method used for Plans 2 and 3 of the Public Employees' Retirement System (PERS), the Teachers' Retirement System (TRS), the School Employees' Retirement System (SERS) and the Public Safety Employees' Retirement System (PSERS) is the aggregate funding method. Under the aggregate method, normal or annual costs are equal to the difference between the present value of all future benefits to be paid out less current assets. This difference (the cost) is spread as a level percentage of members' future pay.

The "entry age normal cost method" is another standard actuarial funding method that determines the cost of funding an individual member's benefit from the time of entry into the system, calculated to be a level percentage of pay throughout a member's career. The entry age normal cost method is used to determine minimum contribution rates for employers and employees in PERS, TRS, and SERS Plans 2 and 3. The minimum contribution rate for the normal cost portion of these plans, which goes into effect is set at 80 percent of employer or employee normal cost calculated under the entry age normal cost method. The entry age normal cost method is also used in the determination of total contribution rates in WSPRS, which are equal to 70 percent of the entry age normal cost, effective July 1, 2009.

The current funding method used for PERS and TRS Plan 1 is tailored to address amortization of the unfunded accrued actuarial liabilities (UAAL) of the Plans 1 by June 30, 2024, and to spread the cost of repaying the unfunded liabilities to all employers of members of PERS, TRS, SERS, and PSERS. Effective July 1, 2009, the contribution rates charged to amortize the UAALs of the Plans 1 is subject to minimum contribution rates of 2.68 percent for PERS, SERS, and PSERS and 4.71 percent for TRS. These minimum contribution rates remain in effect until the actuarial value of assets in either PERS Plan 1 or TRS Plan 1 equals 125 percent of actuarial liabilities or June 30, 2024, whichever comes first.

Summary: The total salary growth assumption used in the PERS, SERS, TRS, PSERS, WSPRS, and the LEOFF Plan 1 is reduced from the 4.25 percent per year adopted by the PFC to 4 percent per year. The adoption of revised mortality tables and minimum contribution rates for the same plans is delayed until after the 2009-11 fiscal biennium, except that WSPRS minimum rate reduced to 50 percent of the entry age normal cost rather than suspended for the biennium.

Between July 1, 2009, and June 30, 2011, the contributions collected for the amortization of the PERS Plan 1 UAAL are made at 1.13 percent of pay in PERS and PSERS. Between September 1, 2009, and August 31, 2011, the PERS 1 UAAL amortization rate for SERS is 1.13 percent. Between September 1, 2009, and August 31, 2011, contributions collected for the amortization of the TRS Plan 1 UAAL are made at 1.85 percent of pay in TRS. After these rates expire, the funding method used to pay off the Plan 1 UAAL is revised so that contributions are set at the level required to amortize the UAALs over a rolling 10-year period, subject to minimum contribution rates of 5.25 percent of pay in PERS, SERS, and PSERS and 8 percent of pay in TRS.

Votes on Final Passage:

Senate	30	17	
House	50	44	(House amended)
Senate	27	20	(Senate concurred)

Effective: July 1, 2009

SSB 6162

PARTIAL VETO

C 376 L 09

Providing for the supervision of offenders sentenced to community custody regardless of risk classification if the offender has a current conviction for a serious violent offense.

By Senate Committee on Ways & Means (originally sponsored by Senator Prentice).

Senate Committee on Ways & Means

Background: Engrossed Substitute Senate Bill 5288 eliminates supervision for most offenders who are classified at a low or moderate risk to reoffend. Certain offenders are supervised regardless of their risk to reoffend including sex offenders, dangerously mentally ill offenders, offenders who have an indeterminate sentence and are subject to parole, offenders who received an alternative sentence, or offenders who are required to be supervised under the Interstate Compact.

A serious violent offense is defined as:

- murder in the first degree;
- homicide by abuse;
- murder in the second degree;
- manslaughter in the first degree;
- assault in the first degree;
- kidnapping in the first degree;
- rape in the first degree;
- assault of a child in the first degree;
- an attempt, criminal solicitation, or criminal conspiracy to commit one of these felonies; 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 serious violent offense.

Summary: Offenders who have a current conviction for a serious violent offense must be supervised by the Department of Corrections regardless of the offender's risk to reoffend.

Votes on Final Passage:

Senate	42	1
House	95	0

Effective: July 26, 2009
August 1, 2009 (Section 2)

Partial Veto Summary: The Governor vetoed the emergency clause requiring Section 1 to take effect immediately.

VETO MESSAGE ON SSB 6162

May 6, 2009

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I have approved, except for Section 3, Substitute Senate Bill 6162 entitled:

"AN ACT Relating to criminal justice: Providing for the supervision of offenders sentenced to community custody regardless of risk classification if the offender has a current conviction for a serious violent offense as defined in RCW 9.94A.030."

Substitute Senate Bill 6162 corrects an error in Engrossed Second Substitute Senate Bill 5288 by ensuring that all serious violent offenders are sentenced to community custody regardless of risk level. I have vetoed the emergency clause in ESSB 5288, and so I am also vetoing the emergency clause in Section 3 of SSB 6162 as it is not necessary.

For this reason, I have vetoed Section 3 of Substitute Senate Bill 6162. With the exception of Section 3, Substitute Senate Bill 6162 is approved.

Respectfully submitted,

Christine O. Gregoire
Governor

SB 6165
C 422 L 09

Allowing greater use of short boards for appeals before the shorelines hearings board.

By Senators Ranker, Rockefeller, Tom and Jarrett.

Senate Committee on Ways & Means
House Committee on Ways & Means

Background: The Shoreline Management Act (SMA) governs all shorelines of the state. The SMA requires counties and cities with shorelines of the state to adopt local shoreline master programs regulating land use activities and to enforce those programs within their jurisdictions. The SMA's basic regulatory device is the prohibition of any development on the shorelines of the state not consistent with the SMA's policy and applicable Shoreline Management Master Program. The mechanism for enforcing the law is a permit system, which requires permits issued by local governments for most activities in the shoreline zone.

The Shorelines Hearings Board (Board), established within the Environmental Hearings Office, is responsible for conducting hearings of appeals of permit decisions made by local governments. The Board is composed of six members, three of whom also serve as the Pollution Control Hearings Board, are full-time employees appointed by the Governor and confirmed by the Senate, with one of these individuals being an attorney. The three additional members of the Board are the State Lands Commissioner or designee, a representative from the Washington State Association of Counties, and a representative from the Association of Washington Cities. The members of the Board receive per diem compensation while acting in an official capacity.

Appeals involving a single family residence or certain structures serving a single family residence, or appeals that involve a penalty of $15,000 or less, may be heard by a short board. A short board consists of a panel of three Board members, at least one and not more than two of whom must be members of the Pollution Control Hearings Board. All other appeals must be heard by the full, six-member Board.

Summary: In addition to appeals involving a single family residence or certain structures serving a single family residence, or appeals that involve a penalty of $15,000 or less, a short board may hear other cases designated by the chair of the hearings board. When designating appeals for review by a short board, the chair must consider factors such as the complexity and precedential nature of the case and the efficiency and cost-effectiveness of using a short board versus a full board.

Votes on Final Passage:

Senate	49	0
House	83	12

Effective: July 26, 2009

ESB 6166
PARTIAL VETO
C 418 L 09

Concerning the sale of timber from state trust lands.

By Senators Hargrove, Ranker, Rockefeller, Jacobsen and Morton.

Senate Committee on Ways & Means
House Committee on Ways & Means

Background: The Department of Natural Resources (DNR) sells the majority of timber from state forest lands by putting tracts of timber up for bid. The DNR establishes an appraised value for the timber, and this value becomes the minimum bid for the timber sale. The successful bidder who is awarded the contract generally has three years to harvest the timber from the sale.

In current law, the DNR has the authority to directly contract for the harvest of up to 10 percent of the total

annual volume of timber offered for sale from state forest lands. All receipts from the gross proceeds of logs that are harvested under the contract harvesting program are deposited into the Contract Harvest Revolving Account (Account). The funds in the Account can only be used to pay harvesting costs incurred on contract harvesting sales. The Board of Natural Resources has oversight of the Account, and no legislative appropriation is needed for expenditures from the Account. All interest created by the Account is deposited into the Account, but the Account may not exceed $1 million at the end of each fiscal year. Monies in excess of $1 million must be disbursed to the trust beneficiaries in accordance with existing procedures.

Summary: The DNR is given the authority to directly contract for the harvest of up to 20 percent of the total annual volume of timber offered for sale from state forest lands. When establishing a final appraisal value for a sale, the DNR must base this amount on current market prices. The Account balance may not exceed $5 million at the end of each calendar year. Monies in excess of $5 million must be disbursed to the trust beneficiaries in accordance with existing procedures. The DNR must report to the Legislature by December 1, 2013, on the effectiveness of the 20 percent contract harvesting program. The report must include a comparison of the revenues generated compared to other sale processes and must provide recommendations regarding the contract harvesting program and the contract harvest volume limit.

To the extent possible under current law, the DNR is directed to consider requests from purchasers for timber sale extensions and to provide flexibility in timber sale contract administration to mitigate against the potential for contract default. By December 1, 2009, the DNR must report to the Legislature on the status of existing contracts, contract extensions, contract defaults, and must provide a timber market forecast for 2010 and 2011.

This act expires January 1, 2014.

Votes on Final Passage:

Senate	32	17
House	94	0

Effective: July 26, 2009

Partial Veto Summary: The Governor vetoed Section 6 which required DNR to report to the Legislature by December 1, 2013, on the effectiveness of the 20 percent contract harvesting program.

VETO MESSAGE ON ESB 6166

May 8, 2009

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I am approving, except for Section 6, Engrossed Senate Bill 6166 entitled:

"AN ACT Relating to the sale of timber from state trust lands."

Section 6 requires the Department of Natural Resources to prepare a report for which no funding was provided in the budget. In these challenging economic times, state agencies are already struggling to meet their existing obligations. This requirement places a large, unfunded burden upon the agency. For this reason, I have vetoed Section 6 of Engrossed Senate Bill 6166.

With the exception of Section 6 of Engrossed Senate Bill 6166 is approved.

Respectfully submitted,

Christine O. Gregoire
Governor

SB 6167
C 431 L 09

Concerning crimes against property.

By Senators Kline, Regala and Hargrove.

Senate Committee on Ways & Means
House Committee on Ways & Means

Background: The monetary amounts differentiating the various degrees of property crimes in this state were established in 1975 when the Washington Criminal Code was adopted. They have never been adjusted. For comparison purposes, $250 in 1975 is equivalent to approximately $954 in 2007, and $1,500 in 1975 is equivalent to approximately $5,721 in 2007. The consumer price index calculator currently contains data up to 2007.

A person is guilty of malicious mischief in the first degree, a class B felony, if that person knowingly and maliciously causes physical damage to the property of another in an amount exceeding $1,500. Malicious mischief in the second degree, a class C felony, is committed when a person knowingly and maliciously causes physical damage to the property of another in an amount exceeding $250. Malicious mischief in the third degree is a gross misdemeanor if the damage to the property is more than $50 and it is a misdemeanor if the damage is $50 or less. Theft in the first degree is committed when a person commits theft of property or services which exceed $1,500 in value. Theft in the first degree is a class B felony. A person is guilty of theft in the second degree if that person commits theft of property or services which exceed $250 in value but does not exceed $1,500. Theft in the second degree is a class C felony. Theft in the third degree is committed when a person commits theft of property or services which does not exceed $250 in value. Theft in the third degree is a gross misdemeanor.

A person is guilty of organized retail theft if that person, with an accomplice, commits theft of property from a mercantile establishment and the value of the property is at least $250. It is organized retail theft in the first degree, a class B felony, if the property stolen has a value of at least $1,500. It is organized retail theft in the second degree, a class C felony, if the value of the stolen property is at least $250 but less than $1,500.

A person who takes possession of goods that are offered for sale by any store without the consent of the owner or seller and with the intention of converting the goods to that person's own use without having paid a purchase price is liable, in addition to actual damages, for a penalty in the amount of the retail value of the goods, not to exceed $1,000; plus an additional penalty of not less than $100 nor more than $200.

A court may impose a sentence above or below the standard range based upon aggravating or mitigating factors. Aggravating factors posing questions of fact must be submitted to a jury and proved beyond a reasonable doubt.

Summary: The monetary thresholds for property crimes are increased as follows:

			Monetary Thresholds	
	Degree	Class	Current	SSB 6167
Possession of Stolen Property, Theft	1st	B Felony	>$1,000	>$5,000
	2nd	C Felony	$250 to $1,000	$750 to $5,000
	3rd	Gross Misdemeanor	<$250	<$750
Malicious Mischief	1st	B Felony	>$1,000	>$5,000
	2nd	C Felony	>$250	>$750
	3rd	Gross Misdemeanor	>$50	not 1st or 2nd Degree
Organized Retail Theft	1st	B Felony	>$1,500	>$5,000
	2nd	C Felony	$250 to $1,000	$750 to $5,000

A mercantile establishment that has property alleged to have been stolen may request that the charge be aggregated with other thefts of property about which the mercantile is aware. If the prosecuting jurisdiction declines the request to aggregate, it must promptly advise the mercantile establishment and provide the reasons for such decision. Merchants who create a database of individuals who have been apprehended, assessed a civil penalty, or convicted, are not subject to civil fines or penalties for sharing the database with other merchants, law enforcement officials, or legal professionals.

An organized retail crime task force is created to monitor the effects of raising the monetary threshold amounts used to define the various degrees of property crimes in Washington. The task force will examine the following: (1) the impact of raising the monetary values differentiating property crimes on the retail industry, the district and municipal courts, and the county and city offices of the prosecuting attorney; (2) whether civil immunity should be granted for retailers who create a database of individuals suspected of theft and deliver the database to law enforcement; and (3) policies or procedures which would enhance investigation and prosecution of property crimes in Washington. The membership of the task force is specified in the act and the members are not reimbursed for travel expenses. The task force is subject to the Open Public Meetings Act. The task force findings and recommendations are to be reported to the appropriate committees of the Legislature.

The Sentencing Guidelines Commission is directed to review the monetary threshold amounts differentiating the various degrees of property crimes in Washington to determine whether such amounts should be modified. It will report its recommendations to the Legislature by November 1, 2014, and every five years thereafter.

In addition to actual damages, the maximum penalty to the owner or seller of goods that are possessed by a person with the intention of converting the goods to that person's own use without payment of a purchase price is $2,850 plus an additional penalty of not less than $100 nor more than $638.

Votes on Final Passage:

Senate	25	21
House	53	41

Effective: July 26, 2009

SB 6168

PARTIAL VETO

C 578 L 09

Reducing costs in state elementary and secondary education programs.

By Senators Tom and Prentice.

Senate Committee on Ways & Means
House Committee on Ways & Means

Background: The Senate Ways & Means Committee (SWM) Chair's proposed 2009-11 Operating Budget was first released on March 30, 2009. The budget proposed K-12 Near General Fund-State expenditure reductions of $1.658 billion compared to the 2009-11 maintenance level. Among the reductions proposed were programs and initiatives that must be implemented under current law, unless amendments to statute provide otherwise.

Summary: The following Revised Code of Washington (RCW) statutes are amended to allow the associated programs to be implemented contingent on the availability of funds:

28A.415.380 - Mathematics and Science Instructional Coach Program;

28A.320.190 - Extended Learning Opportunities Program, English-language learners;

28A.630.035 - civics education;

28A.300.130 - Center for the Improvement of Student Learning;

28A.245.060 - director of skill centers;

28A.300.520 - incarcerated family contacts; and

28A.320.125 - school safety plans.

Votes on Final Passage:

Senate	43	4
House	95	0

Effective: July 26, 2009

Partial Veto Summary: The Governor vetoed sections 28A.415.340 - Leadership Academy; 28A.300.515 - statewide coordination for science, technology, engineering, and math (STEM Office); and 28A.625.020 - Employee Award Program.

VETO MESSAGE ON SB 6168

May 19, 2009

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

I have approved, except for Sections 3, 4 and 8, Senate Bill 6168 entitled:

"AN ACT Relating to reducing costs in state elementary and secondary education programs."

Sections 3 and 4 refer to the availability of funds as the determinate for whether these important programs are implemented. Because all programs are dependent on legislative appropriations, the addition of this language has no substantive effect. I am concerned, however, that future budget writers might erroneously conclude that these programs are in a different status than other programs and consider not funding them solely because of the addition of this new language. As a result, I have vetoed Sections 3 and 4 of Senate Bill 6168.

Section 8 of Senate Bill 6168 amends RCW 28A.625.020, Office of Superintendent of Public Instruction annual recognition program. RCW 28A.625.020 is also repealed by Section 20(6) of Senate Bill 5889 which I signed earlier today. Therefore, I am not approving Section 8 of Senate Bill 6168 to correct a potential double amendment and conflicting policy.

For these reasons, I have vetoed Sections 3, 4 and 8 of Senate Bill 6168.

With the exception of Sections 3, 4 and 8, Senate Bill 6168 is approved.

Respectfully submitted,

Christine O. Gregoire
Governor

ESSB 6169

C 562 L 09

Enhancing tax collection tools for the department of revenue in order to promote fairness and administrative efficiency.

By Senate Committee on Ways & Means (originally sponsored by Senator Prentice).

Senate Committee on Ways & Means
House Committee on Finance

Background: Excise Tax Administration. The Department of Revenue (DOR) collects the major state excise taxes, such as the retail sales tax, use tax, business and occupation (B&O) tax, and the public utility tax (PUT). The general administrative provisions for the collection of excise taxes are provided in chapter 82.32 RCW, including payment schedules, payment types, assessments, notice, and collection provisions.

Sales Tax. The sales tax is imposed by the state, counties, and cities on retail sales of most items of tangible personal property and some services, including construction and repair services. The state sales rate is 6.5 percent and the local rates vary by location. The combined state/local rate is between 7 and 9.5 percent, depending on location.

Sales Tax Held in Trust. The buyer pays the sales tax and the seller collects the tax and remits it to the state. Sellers hold sales taxes in trust until paid to DOR, and any seller who appropriates or converts the tax collected to any purpose other than the payment of the tax is guilty of a gross misdemeanor. Further, if a seller fails to collect or pay the sales tax, that seller is personally liable for the tax regardless of whether the nonpayment resulted from conditions beyond the seller's control.

If the seller is a corporation or a limited liability corporation (LLC), there may be personal liability for unpaid sales tax trust funds for the following persons: officers, members, managers, or other persons having control or supervision of sales tax funds; or persons charged with the responsibility for the filing of returns or tax payments. There are additional requirements for personal liability for unpaid sales tax trust funds to attach in the corporate or LLC context: the business must be terminated, dissolved, or abandoned; the failure to pay must be willful as a result of an intentional, conscious, and voluntary course of action; and DOR must determine that there are no reasonable means of collecting the unpaid sales tax funds held directly from the corporation.

There is no similar personal liability for other unpaid excise taxes, such as the use tax, B&O tax, and the PUT.

Notice and Order to Withhold and Deliver. If taxes are 15 days past due, DOR may issue a tax warrant and file a copy of the warrant with the superior court of any county in which real and/or personal property of the taxpayer may be found and the warrant is entered as a judgment against the taxpayer and acts as a lien upon property.

To collect on a tax warrant, DOR may seek property held by third parties, such as banks or other financial institutions, by serving notices and orders to them to withhold and deliver property. Under current law, DOR must serve the third party a separate notice and order to withhold and deliver for each taxpayer either through in-person service (by a sheriff, sheriff's deputy, or an authorized DOR representative) or by certified mail and return receipt. The third party must respond within 20 days after receipt of the notice and order and must deliver property subject to the tax warrant or a sufficient bond for the property.

Summary: In addition to existing methods, DOR is authorized to issue notices and orders to withhold and deliver to any financial institution by providing a full or partial list of unsatisfied tax warrants for which no payment agreement has been made. Such lists may be delivered

electronically and if delivered electronically, DOR must allow the financial institution to answer electronically in a format provided or approved by DOR. Only one such list may be served on a single financial institution each month. "Financial institution" means a bank, trust company, mutual savings bank, savings and loan association, or credit union authorized to do business and accept deposits in this state under state or federal law. Enhanced levies must provide Federal Taxpayer Identification Numbers. A financial institution may be relieved of the enhanced levies upon request to DOR. DOR must consider size, customer base, and geographic location of the financial institution when considering whether to provide relief. The time for a financial institution to answer to an enhanced levy is increased to 30 days (from 20). Financial institutions may answer an enhanced levy in aggregate, but must answer with specificity. Existing law is also amended to provide clarifications and updated language.

DOR is directed to work with interested financial institutions to develop policies regarding the frequency of service of levies in the form of a listing of unpaid tax warrants and under what circumstances such a levy will contain only a partial list of unpaid tax warrants eligible to be included in the notice and order to withhold and deliver. DOR is also directed to develop a policy regarding the information to be contained in a notice and order to withhold and deliver to ensure that financial institutions can accurately match their records with the names of tax debtors. DOR must report to the fiscal committees of the Legislature on the implementation of the notice and order to withhold and deliver by serving financial institutions with lists of unsatisfied tax warrants by January 1, 2012, describing the policies developed, any difficulties encountered, and any DOR suggestions to improve the effectiveness and reduce the burden on financial institutions in complying.

Votes on Final Passage:

Senate	44	3
House	52	43

Effective: July 26, 2009

ESSB 6170

C 469 L 09

Concerning environmental tax incentives.

By Senate Committee on Ways & Means (originally sponsored by Senators Hobbs and Prentice).

Senate Committee on Ways & Means
House Committee on Finance

Background: Sales Tax. Sales tax is imposed on retail sales of most items of tangible personal property and some services, including construction and repair services. Sales and use taxes are imposed by the state, counties, and cities. Sales and use tax rates vary between 7 and 9.5 percent, depending on location. Further, there is an additional 0.3 percent sales and use tax on retail sales of new or used vehicles.

Business and Occupation Tax. Washington's major business tax is the business and occupation (B&O) tax. The B&O tax is imposed on the gross receipts of business activities conducted within the state, without any deduction for the costs of doing business. Revenues are deposited in the state General Fund. A business may have more than one B&O tax rate, depending on the types of activities conducted. There are a number of different rates. The main rates are 0.471 percent for retailing; 0.484 percent for manufacturing, wholesaling, and extracting; and 1.5 percent for professional and personal services, and activities not classified elsewhere.

Renewable Energy. There is currently an exemption from the retail sales and use taxes for machinery and equipment used directly to generate at least 200 watts of electricity using wind or solar energy, landfill gas, or fuel cells as a power source. The exemptions expire June 30, 2009.

Solar Energy and Semiconductor Incentives. There is currently a reduced B&O tax rate of 0.2904 percent for manufacturers, processors for hire, or wholesalers of solar energy systems using photovoltaic modules or silicon components of these systems. The incentive expires June 30, 2014.

In 2005 the Legislature created a cost-recovery incentive program to promote renewable energy systems that produce electricity from solar, wind, or anaerobic digesters. An individual, business or local government purchasing an eligible system may apply for an incentive payment from the electric utility serving the applicant. The incentive provides at least 15 cents for each kilowatt-hour of energy produced, with extra incentives for solar generating systems that use components manufactured in Washington. Payments are capped at $2,000 annually per applicant. A utility providing incentive payments is allowed a credit against its public utility tax (PUT) for incentives paid, limited to $25,000 or 0.25 percent of its taxable power sales, whichever is greater. The cost-recovery incentive program expires June 30, 2015.

Livestock Nutrient Incentives. In 2001 the Legislature provided an exemption from sales and use taxes for dairy nutrient management equipment and facilities and related services. To be eligible, the person had to have a certified dairy nutrient management plan.

In 2006 the sales and use tax exemption was broadened beyond dairy to other sectors of the livestock industry that had approved nutrient management plans. Since that time, issues have arisen regarding what qualifies for the sales and use tax exemption.

Radioactive Waste Cleanup. In 1996 the Legislature enacted a reduced B&O tax rate of 0.471 percent for cleaning up the Hanford site. Previously, persons performing cleanup activities for the U.S. government paid under the government contractor rate of 0.484 percent. Activities

have to be integral and necessary to the direct performance of cleanup to qualify for the reduced B&O tax rate.

Summary: On August 1, 2009, the sales tax exemption on hybrid vehicles is repealed. Hybrid vehicles are not subject to the 0.3 percent sales tax on vehicles through January 1, 2011.

Renewable Energy. A sales and use tax exemption in the form of a refund is allowed for 100 percent of the sales tax paid on machinery and equipment used to create energy from fuel cells, sun, wind, biomass energy, tidal and wave energy, geothermal resources, anaerobic digestion, and technology that converts otherwise lost energy from exhaust or landfill gas from July 1, 2009, to June 30, 2011. The sales tax exemption is reduced to 75 percent from July 1, 2011, to June 30, 2013. The exemption expires June 30, 2013.

Log Hauling. The public utility tax on log hauling is reduced from 1.926 percent to 1.37 percent.

Hog Fuel Incentives. A sales tax exemption is provided for hog fuel used to produce electricity, steam, heat, or biofuel. Hog fuel is defined as wood waste and other wood residuals including forest derived biomass.

Biomass Energy Incentives. A B&O credit is provided for harvesters of harvested green ton of forest derived biomass sold or used for production of electricity, steam, heat or biofuel as follows:

- from July 1, 2010, through June 30, 2013, $3 per harvested green ton; and
- from July 1, 2013, through June 30, 2015, $5 per harvested green ton.

The credit expires June 30, 2015.

A sales tax exemption is provided for the sale of forest derived biomass used to produce electricity, steam, heat or biofuel. The exemption expires on June 30, 2013.

Solar Energy and Semiconductor Incentives. Beginning October 1, 2009, the B&O tax for businesses that manufacture or sell at wholesale either: (1) solar energy systems using photovoltaic modules; or (2) solar grade silicon and an expanded list of materials to be used exclusively in the components solar systems or semiconductors is set at a reduced rate of 0.275 percent. The lower B&O tax rate expires on June 30, 2014.

A sales tax exemption is provided for gases and chemicals used in the production of solar energy equipment. The exemption expires December 1, 2018.

The cost-recovery incentive program for renewable energy systems is extended to "community solar projects," which are either: (1) a solar energy system owned by local individuals, households, or nonutility businesses that is placed on the property owned by their cooperating local governmental entity; or (2) a utility-owned solar energy system that is voluntarily funded by the utility's ratepayers where, in exchange for their financial support, the utility gives contributors a payment or credit on their utility bill for the value of the electricity produced by the project. Community solar projects are eligible for incentives of 30 cents for each kilowatt-hour of energy produced. Each applicant in a community solar project is eligible for annual incentives of $5,000 per year.

The credit for a utility providing cost-recovery incentive payments is increased to $100,000 or 1 percent of the utility's taxable power sales, whichever is greater. Incentive payments to participants in a utility-owned community solar project may only account for up to 25 percent of the total allowable credit. The expiration date of the cost-recovery program is extended from 2015 to 2020.

Livestock Nutrient Incentives. The nutrient management sales and use tax exemption is expressed as a fixed list of equipment and facilities. Labor and services related to the construction of a new livestock nutrient management facility or the replacing of such a facility are explicitly excluded from the sales and use tax exemption. A statutory definition of "handling and treatment of livestock manure" is provided.

Radioactive Waste Cleanup. Persons providing certain support services which are either within the scope of work under a cleanup contract with the United States Department of Energy, or which assist in the requirement of a cleanup subcontract are qualified for the reduced B&O tax rate of 0.471 percent for radioactive waste cleanup.

The following routinely provided services are considered to contribute to the accomplishment of a requirement of a cleanup project and thus subject to the reduced B&O tax rate: information technology and computer support; services rendered in respect to infrastructure; and security, safety, and health services.

Votes on Final Passage:

Senate	34	13
House	85	11

Effective: July 1, 2009
August 1, 2009 (Sections 801 and 802)

SSB 6171

C 495 L 09

Concerning savings in programs under the supervision of the department of health.

By Senate Committee on Ways & Means (originally sponsored by Senator Prentice).

Senate Committee on Ways & Means
House Committee on Ways & Means

Background: Group B public water systems provide drinking water for between two and fourteen households and serve less than 25 people per day. Larger Group A public water systems must meet federal standards, but Group B systems are not regulated by the federal government. Under current law, the Department of Health (DOH) staff review and approve the systems, conduct water sampling activities, and respond to emergencies.

The DOH provides technical assistance to local health jurisdictions for the assessment of the degree of contamination at properties used as clandestine drug laboratories.

Chapter 56, Laws of 2008 (SHB 2431) expanded the information that must be provided to pregnant patients about the differences between and the potential benefits and risks of public or private cord blood banking, and the information must be sufficient to allow a pregnant woman to make a decision before her third trimester of pregnancy about whether to participate in a cord blood banking program. It requires the DOH update existing rules to include these provisions.

Under RCW 70.56, an "adverse event" means the list of serious reportable events adopted by the National Quality Forum in 2002. A medical facility must notify the DOH within 48 hours of confirmation that an adverse event has occurred, and then it must submit notification of the event, date, type, and any additional contextual information to the DOH within 45 days. The DOH must contact with an independent entity to develop a secure internet-based system for the reporting of adverse events and incidents. The independent entity is responsible for receiving and analyzing the notifications and reports, and developing recommendations for changes in health care practices for the purposes of reducing the number and severity of adverse events.

Under current law, the Pesticide Incident Reporting and Tracking (PIRT) Review Panel reviews procedures for investigating and reporting pesticide incidents. The panel consists of ten members who are agency directors, university representatives, a toxicologist, and a member of the public. Several agencies, including the DOH, conduct pesticide investigations and report to the panel.

Summary: A number of changes are made to the DOH statute to allow for the agency to achieve savings for the 2009 Supplemental and 2009-11 Biennial budgets, including:

- The requirement that the DOH review and approve Group B water systems, monitor water quality standards, and establish maintenance requirements is eliminated. Local governments may establish requirements for Group B water systems in addition to those established by rule or by the State Board of Health as long as they are at least as stringent as the state requirements.
- The requirement that the DOH provide technical assistance in the assessment of contaminated properties is repealed.
- The rulemaking requirement for the DOH relating to time limits and standards for providing information on cord blood donations is eliminated.
- The requirement that the DOH contract with an independent entity to establish an internet-based adverse events reporting system is contingent upon specific funding provided in the budget.
- The DOH's duty to investigate pesticide exposure cases is dependent upon the exposure's degree of risk and funding provided in the budget.

Votes on Final Passage:

Senate	48	0	
House	94	0	(House amended)
			(Senate refused to concur)
House	95	0	(House amended)
Senate	29	16	(Senate concurred)

Effective: May 14, 2009
July 1, 2010 (Section 9)

SB 6173

C 563 L 09

Improving sales tax compliance.

By Senator Prentice.

Senate Committee on Ways & Means
House Committee on Finance

Background: Under current law, persons purchasing goods or services for resale are exempt from the retail sales tax if they provide the seller with a resale certificate. The resale certificate is a document or combination of documents that substantiates the wholesale nature of a sale. Resale certificates are not issued by the Department of Revenue (Department), but can be obtained from the Department's website. When a buyer fills out a resale certificate, among the information they need to supply is their name and unified business identifier or business registration number. The seller retains the resale certificate as evidence of the tax exempt sale.

Purchases of materials by contractors performing construction for consumers (custom construction) where the materials will become part of the completed project, are purchases for resale (wholesale purchases). Such purchases are not subject to retail sales tax. Such contractors may also purchase subcontractor services for resale. To verify that material purchases and subcontractor services are for resale, a contractor must give a valid resale certificate to the materials supplier or subcontractor. This tax treatment also applies to subcontractors working on custom construction projects.

Speculative contractors (spec construction) may not purchase materials that will become part of the project for resale and must pay sales tax. This is the same for the subcontractors that work for them. They are the end consumer of the materials or services and thus have to pay sales tax on these purchases.

Summary: Beginning January 1, 2010, the requirement for a resale certificate to make purchases for resale exempt of the sales tax is eliminated and replaced with a seller's permit. The seller's permit will be issued by the Department to businesses registered with the Department if the business makes wholesale purchases. This will be

determined based generally on industry type and reporting history. Businesses that do not make wholesale purchases as part of their business will not be issued a sellers permit.

Permits issued to taxpayers who register with the Department after January 1, 2009, are valid for two years and may be renewed for four years. Permits issued to taxpayers who registered with the Department on or before January 1, 2009, are valid for four years.

Custom contractors may receive a sellers permit valid for one year. They must reapply for a permit each year.

Businesses seeking a new seller's permit or to renew or reinstate a seller's permit must apply to the Department. The Department must rule on applications within 60 days.

The Department will develop a database for businesses to voluntarily verify an eligible seller's permit.

The House Finance Committee and the Joint Task Force on the Underground economy must each review the issues and concerns created by the act and provide reports to the Legislature by December 1, 2009.

Votes on Final Passage:

Senate	26	21	
House	86	9	(House amended)
Senate	30	19	(Senate concurred)

Effective: January 1, 2010

SB 6179
C 579 L 09

Concerning chemical dependency specialist services.

By Senators Tom, Fairley and Prentice.

Senate Committee on Ways & Means
House Committee on Ways & Means

Background: In 2005 the Legislature enacted the Omnibus Treatment of Mental and Substance Abuse Disorders Act. The Act required the Department of Social and Health Services (DSHS) to contract with chemical dependency specialist services at each child welfare office. The specialist's duties are to conduct on-site chemical dependency screening and assessment, refer clients from the department to treatment providers, and provide consultation on cases.

Summary: DSHS is required to contract for chemical dependency specialist services but no longer must do so at each child welfare office.

Votes on Final Passage:

Senate	48	0
House	95	0

Effective: July 26, 2009

ESSB 6180
C 580 L 09

Concerning the training and background checks of long-term care workers.

By Senate Committee on Ways & Means (originally sponsored by Senators Keiser, Tom and Prentice).

Senate Committee on Ways & Means

Background: "Long-term care workers" refers to persons who provide personal care to elderly and individuals with disabilities. The personal care tasks are frequently referred to as "activities of daily living" and include activities such as eating, bathing, toileting, self-medicating, and dressing. Long-term care workers can be employed in a community based facility (for example, adult family homes and boarding homes), can be directly employed by the individual needing care, or can be contracted by a home care agency to provide care for an individual or several individuals. In many instances, long-term care workers are related to their client and sometimes reside together. Depending on the specific provider to client relationship, long-term care workers may also be referred to as individual providers and agency providers, or sometimes by the collective term home care worker or home care provider.

Publicly funded programs operated by the Department of Social and Health Services (DSHS) – Aging and Disability Services Administration (ADSA) authorize hours of personal care for clients based on an assessment of individual need. ADSA clients can receive authorization for personal care assistance through the Medicaid personal care (MPC) program and can also receive authorization for MPC as part of a Medicaid waiver program such as the Community Options Program Entry System or Basic Waivers. The average monthly cost per client for MPC varies between $1,300 and $1,400. Based on the March 2009 caseload forecast, the 2009-11 MPC caseload is expected to total nearly 60,000 clients.

Several sections of current law address the training, employment, collective bargaining, and working conditions for long-term care workers. In addition, Initiative 1029 (approved in the November 2008 general election) specified certain background check, training, and certification mandates for all long-term care workers. The major provisions of Initiative 1029 are:

- a state paid background check, including a fingerprint check against the Federal Bureau of Investigation (FBI) databases;
- the establishment of a home care aide certification program in the Department of Health (DOH);
- a tiered training program for all long-term care workers (varies between 15 and 150 hours);
- continuing education requirements for all long-term care workers (12 hours per year); and

- a requirement that individual providers (those long-term care workers directly employed by the person receiving care) be compensated for the hours they spend in training.

Most of the provisions of Initiative 1029 go into effect January 1, 2010, although the requirement that DSHS make available 70 hours of optional, additional training (sometimes referred to as advanced topics training) goes into effect January 1, 2011.

Current law requires that DSHS make training available for long-term care workers and that individual providers receive their training through a dedicated training partnership and that the state contribution to that training partnership be made subject to a collective bargaining agreement.

Summary: The effective dates for sections of I-1029 to delay implementation are amended. The enhanced background checks and advanced training are delayed until January 1, 2012, and basic training and continuing education are delayed until January 1, 2011. Technical corrections are made to background check requirements.

Certain institutional and facility employees are excluded from the definition of "long-term care worker."

Votes on Final Passage:

Senate	45	4
House	72	22

Effective: July 26, 2009
September 1, 2009 (Section 16)

SB 6181

FULL VETO

Concerning the intensive resource home pilot.

By Senators Tom, Prentice and Fairley.

Senate Committee on Ways & Means
House Committee on Ways & Means

Background: In 2008 the Legislature created the intensive resource home pilot project. The pilot project required the Department of Social and Health Services (DSHS) to select two or more geographic areas for implementing an intensive resource foster home pilot program (program). The program was aimed at areas where high concentrations of children with significant needs are in foster care; areas of appropriate size that will allow for an analysis of the impact of the program on the continuum of out-of-home care providers; and to determine the number of children to be served. Implementation of the initial sites was to be undertaken with the goal of eventual expansion of the program statewide.

The pilot project was suspended in December 2008 after contractual delays in implementing the pilot project.

Summary: The pilot project remains suspended until the Legislature provides specific funds for its implementation. The act also eliminates reporting requirements related to the pilot project.

Votes on Final Passage:

Senate	48	0
House	95	0

VETO MESSAGE ON SB 6181

May 19, 2009

To the Honorable President and Members,
The Senate of the State of Washington

Ladies and Gentlemen:

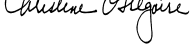
I am returning herewith, without my approval, Senate Bill 6181 entitled:

"AN ACT Relating to the intensive resource home pilot."

This bill would extend for budget purposes the suspension of the intensive resource home pilot program created in 2008 and suspended in December of that year. However, Senate Bill 6181 amends RCW 74.13.800 which was repealed by section 97 of Second Substitute Senate Bill 2106 which I signed into law today. Therefore, the suspension is no longer necessary.

For this reason I have vetoed Senate Bill 6181 in its entirety.

Respectfully submitted,



Christine O. Gregoire
Governor

SJM 8001

Requesting the United States fish and wildlife service to work cooperatively with the state's regulatory agencies and energy producers with respect to the federal endangered species act.

By Senators Hatfield and Haugen.

Senate Committee on Natural Resources, Ocean & Recreation
House Committee on Agriculture & Natural Resources

Background: Renewable Energy Requirements. In 2006 the voters of Washington passed Initiative 937 (Initiative). The Initiative sets targets for energy conservation and the use of eligible renewable resources by the state's utilities that serve more than 25,000 customers. The Initiative defines "eligible renewable resource" to include resources such as wind, solar energy, and certain biomass energy. The term "eligible renewable resource" also includes incremental electricity produced from efficiency improvements completed after March 31, 1999, to hydroelectric dams.

Greenhouse Gas Emission Reduction. In 2007 the Legislature adopted the following goals for green house gas (GHG) emissions reduction:

- by 2020, reduce GHG emissions to 1990 levels;
- by 2035, reduce GHG emissions to 25 percent below 1990 levels; and

- by 2050, reduce GHG emissions to 50 percent below 1990 levels, or 70 percent below the state's expected GHG emissions that year.

Federal Endangered Species Act. Congress passed the federal Endangered Species Act (ESA) in 1973, which provides protection for threatened and endangered species. An endangered species is a species in danger of extinction throughout all or part of its historic range. A threatened species is a species likely to become endangered within the foreseeable future. The ESA generally prohibits take of protected species, which includes harassing, harming, or killing such species. The United State Fish and Wildlife Service (USFWS) has primary responsibility for ESA administration with regards to threatened and endangered wildlife.

Summary: The Senate Joint Memorial requests that:

- the USFWS work cooperatively with state regulatory agencies and energy producers to resolve issues raised by the ESA; and
- USFWS, state agencies, and energy producers resolve such issues in a manner that allows the continued development of Washington's wind and other alternative energy resources while at the same time protecting threatened and endangered wildlife.

Votes on Final Passage:

Senate	48	0
House	97	0

SJM 8003

Requesting that Congress issue a date at which health information technology must comply with a uniform national standard of interoperability.

By Senators Pflug, Keiser and Parlette.

Senate Committee on Health & Long-Term Care
House Committee on Health Care & Wellness

Background: Over the past decade electronic health information has begun to change the way medical care is practiced. Health information technology provides health care practitioners with instant access to detailed patient medical histories allows for rapid exchange of radiologic images, instant transmission of prescriptions, and evidence-based data on best practices and gives patients access to their own medical records. There is general concern, however, that the systems established to use these technologies do not communicate with each other. This means patients, practitioners, and payors are unable to share information across different regions of the state, and in many cases, within the same geographic areas. There is growing interest in requiring interoperability between proprietary information systems and in standardizing terms used to convey the information so that health information technology can expand its potential for improving health care.

Summary: The Senate Joint Memorial states that health information systems are unable to communicate with each other and that the benefit of health information technology is only derived from systems that can communicate with each other. It recognizes national leadership calling for standards of interoperability and the goal of implementing electronic health records for all Americans by 2014.

Congress is asked to institute a date, no later than January 2013, at which time all vendors, suppliers, and manufacturers of health information technology must comply with a uniform national standard of interoperability. This would be done to allow all medical and health records to be readily shared and accessed across all health care providers, while preserving proprietary nature of health information to encourage innovation and competition.

Votes on Final Passage:

Senate	46	0
House	97	1

SJM 8006

Requesting that state route number 502 be named the "Battle Ground Highway" and that a portion of state route number 503 be named the "Lewisville Highway."

By Senator Zarelli.

Senate Committee on Transportation
House Committee on Transportation

Background: Current law authorizes the Transportation Commission to name or rename state transportation facilities. The process to name or rename a facility can be initiated by the Washington State Department of Transportation (WSDOT), state and local governmental entities, citizen organizations, or by any individual person. In order for the commission to consider the proposal, the requesting entity must provide sufficient evidence indicating community support and acceptance of the proposal. This evidence can include a letter of support from the state or federal legislator representing the area encompassing the facility to be named or renamed. Other evidence that would provide proof of community support includes a resolution passed by other elected bodies in the impacted area, WSDOT support, and supportive action from a local organization such as a chamber of commerce.

Summary: The Transportation Commission is requested to change the name of State Route 502 to the "Battle Ground Highway." The Transportation Commission is also requested to change the name of State Route 503, from the junction with State Route 500 at Orchards and north to the junction with State Route 502 at Battle Ground and north to Amboy, to the "Lewisville Highway."

Votes on Final Passage:

Senate	41	6
House	96	1

SJM 8012

Urging adoption of a treaty fighting discrimination against women.

By Senators Fraser, Kohl-Welles, Prentice, Fairley, Berkey, Franklin, Regala, Marr, Shin, Eide, Kastama, Murray, Haugen, Oemig, McDermott and Kline.

Senate Committee on Labor, Commerce & Consumer Protection
House Committee on Judiciary

Background: The Convention of the Elimination of All Forms of Discrimination Against Women (CEDAW) was adopted by the United Nations General Assembly on December 18, 1979. The Convention became an international treaty on September 3, 1981. One hundred and eighty-five nations, including all of the industrialized world except the United States, had agreed by May 2001 to be bound by the Convention's provisions.

Summary: President Obama and the Secretary of State are respectfully urged to place the Convention in the highest category of priority in order to accelerate the treaty's passage through the Senate Foreign Relations Committee and full United States Senate with the goal of ratification by the United States. The Washington State Legislature urges the Senate Foreign Relations Committee to pass this treaty favorably out of Committee and urge it be approved by the full Senate.

Votes on Final Passage:

Senate	33	14
House	74	24

SJM 8013

Calling on Congress to enact legislation to eliminate the 24 month Medicare waiting period for participants in Social Security Disability Insurance.

By Senators Keiser, Parlette, Pflug, Franklin, Marr, Murray, Shin, Haugen, Kline and Kohl-Welles.

Senate Committee on Health & Long-Term Care
House Committee on Health Care & Wellness

Background: The federal Medicare program provides health insurance for individuals over age 65, some disabled people under age 65, and people of all ages with End-Stage Renal Disease (permanent kidney failure treated with dialysis or a transplant). The Medicare system was originally administered by the Social Security Administration but in 1977 management was transferred to the Health Care Financing Administration, since renamed the Centers for Medicare and Medicaid Services. The eligibility determination and enrollment processes are still linked with the federal Social Security Administration, who also determines whether individuals with a permanent disability are eligible for social security income. After the social security eligibility is established, individuals may enroll in Medicare insurance after they have completed a 24-month waiting period.

Summary: The Senate Joint Memorial requests the President and members of congress eliminate the 24-month waiting period for Medicare enrollment for those individuals with an approved social security disability.

Votes on Final Passage:

Senate	46	0
House	98	0

SSCR 8404

Providing for the 2008-2018 state comprehensive plan for workforce training.

By Senate Committee on Higher Education & Workforce Development (originally sponsored by Senators Kilmer, Jarrett, Hewitt, Delvin, Jacobsen, Shin and Pflug; by request of Workforce Training and Education Coordinating Board).

Senate Committee on Higher Education & Workforce Development
House Committee on Higher Education

Background: The Workforce Training and Education Coordinating Board's (WTECB) mission is to bring business, labor, and the public sector together to shape strategies to best meet the state and local workforce and employer needs of Washington with the goal of creating and sustaining a high-skill, high-wage economy. The WTECB is required to produce a state comprehensive plan for workforce training and education (plan) that is updated every two years and presented to the Governor and the appropriate legislative policy committees. After public hearings, the Legislature must, by concurrent resolution, approve or recommend changes to the plan and the updates. The plan then becomes the state's workforce training policy.

The plan must include workforce training role and mission statements for the workforce development programs of operating agencies represented on the board and sufficient specificity regarding expected actions by the operating agencies to allow them to carry out actions consistent with the comprehensive plan. The plan must also include recommendations to the Legislature and the Governor on the modification, consolidation, initiation, or elimination of workforce training and education programs in the state. Finally, the plan must address how the state's workforce development system will meet the needs of

employers hiring for industrial projects of statewide significance.

Summary: The Senate and the House of Representatives approve the state comprehensive plan for workforce training. The state comprehensive workforce plan must focus on employee education and training needs that provide transferrable skills that are generally marketable and lead to advancement for low-skilled workers. The Legislature recommends that the next state comprehensive workforce plan include jobs that build a green economy and the renewable energy industry.

Votes on Final Passage:

Senate	49	0	
House	98	0	(House amended)
Senate	49	0	(Senate concurred)

SUNSET LEGISLATION

Background: The Legislature adopted the Washington State Sunset Act (43.131 RCW) in 1977 in order to improve legislative oversight of state agencies and programs. The sunset process provides for the automatic termination of selected state agencies, programs, units, subunits, and statutes. Unless the Legislature provides otherwise, the entity made subject to sunset review must formulate the performance measures by which it will ultimately be evaluated. One year prior to an automatic termination, the Joint Legislative Audit and Review Committee and the Office of Financial Management conduct program and fiscal reviews. These reviews are designed to assist the Legislature in determining whether agencies and programs should be terminated automatically or reauthorized in either their current or a modified form prior to the termination date.

Session Summary: There was no sunset legislation enacted in 2009.

This Page Intentionally Left Blank

Section II: Budget Information

61st Washington State Legislature

This Page Intentionally Left Blank

2009-11 Budget Overview
Operating, Transportation, and Capital Budgets

Washington State biennial budgets authorized by the Legislature in the 2009 session total $71.8 billion. The omnibus operating budget accounts for $58.7 billion. The transportation budget and the omnibus capital budget account for $7.6 billion and $5.4 billion, respectively.

Separate overviews are included for each of the budgets. The overview for the omnibus operating budget can be found on page 436, the overview for the transportation budget is on page 502, and the overview for the omnibus capital budget is on page 512.

2009-11 Omnibus Budget Overview
Operating Only

Composition of the Projected Operating Budget Problem

The state faced a projected operating budget shortfall of approximately $9 billion for the three-year period between fiscal year 2009 and fiscal year 2011.

On the revenue side, the March 2009 forecast estimated near general fund revenues of $30.4 billion for the 2007-09 biennium and $30.5 billion for the 2009-11 biennium. The March 2009 revenue forecast assumed that the national and Washington economies would be in recession for most of fiscal year 2009 with modest growth not occurring until the latter part of 2010. As a result of deteriorating economic conditions, in just the last year, the projected Near General Fund-State (NGF-S) revenues collections for fiscal years 2009 through 2011 were reduced by approximately $5.7 billion.

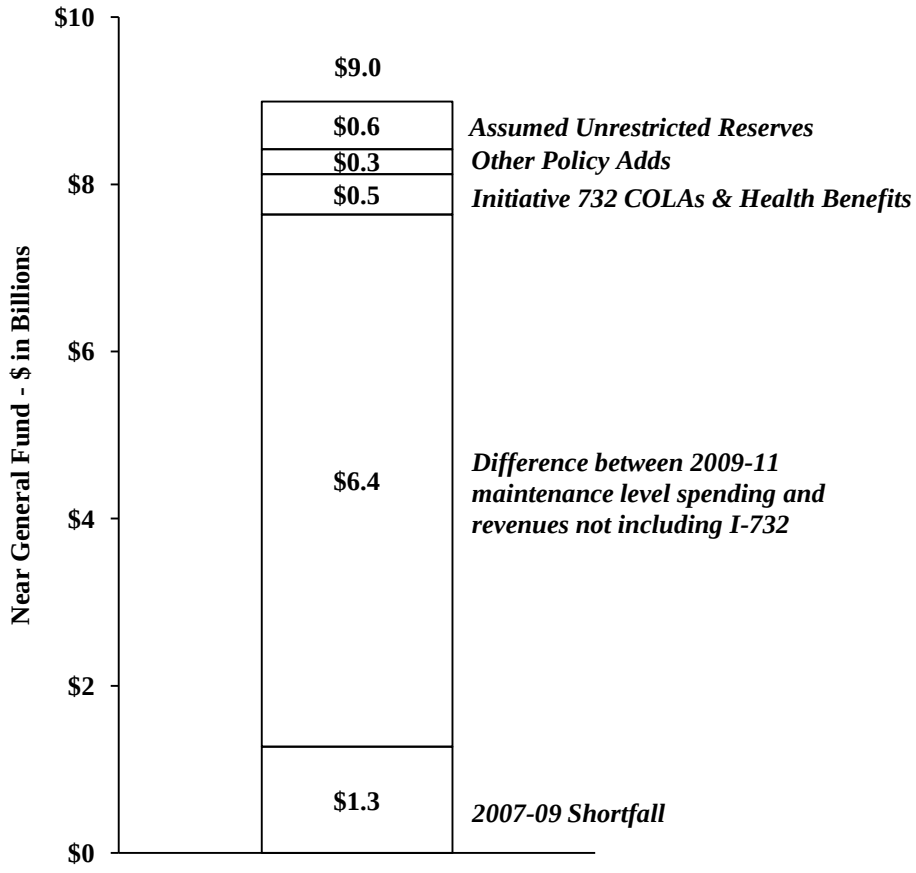
On the expenditure side, in fiscal year 2009, the expected additional costs as a result of increased caseloads, fire, and other costs was estimated at slightly under $200 million.

For the 2009-11 biennium, the anticipated cost to maintain current programs, including caseload growth in entitlement programs, was $37.0 billion. Not included in the calculation of the budget shortfall or budget actions are policy enhancements the Legislature typically considers but that are not funded in this proposal. Examples include: cost-of-living adjustments (COLAs – other than those required pursuant to Initiative 732), additional higher education enrollments to keep pace with population, and other enhancements that would make the shortfall even greater if these were included in the shortfall calculation.

The budget included $94 million for additional costs of employee health care coverage in K-12, higher education, and state agencies. Additionally, the budget included $303 million in policy increases. Some of the most significant include: $82 million to maintain the current higher education financial aid policy; $55 million for debt service associated with the 2009-11 capital budget; caseload growth in programs for the developmentally disabled; and $20 million for the final phase of an information technology project designed to improve the efficiency of payments for Medical Assistance vendors.

This combined three-year operating budget shortfall of $9 billion (shortfall – the difference by which the estimated cost of continuing state government programs and services plus policy increases exceeds forecasted revenue) is illustrated on the chart below.

Illustration of $9 Billion Budget Problem Addressed in the 2009 Session



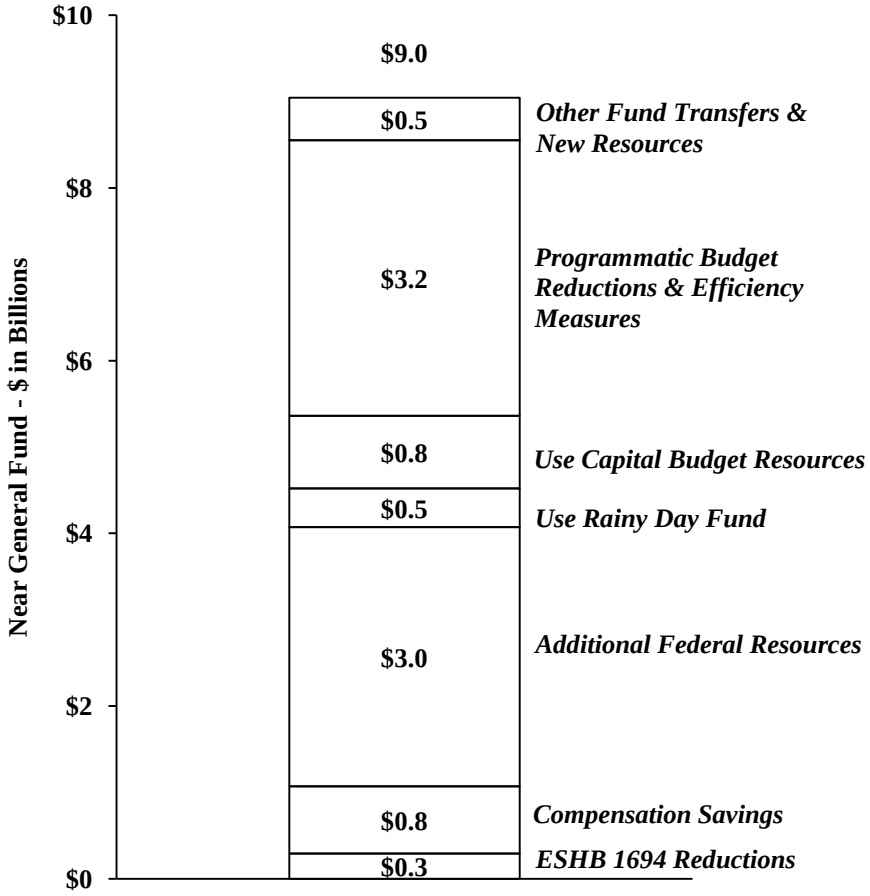
The Potential Three-Year Budget Problem *

* *Amounts may not total because of slight rounding differences. "Assumed Unrestricted Reserves" does not include the impact of the Governor's vetoes.*

How the Legislature Addressed the $9 Billion Budget Problem

The Legislature took several steps in addressing the state's $9.0 billion budget problem as shown on the chart below:

The Three-Year Budget Solution Based On As Passed Budget



The Potential Three-Year Budget Solution *

* *Amounts may not total because of slight rounding differences. The amounts depicted do not include the impact of the Governor's vetoes.*

ESHB 1694 Transfers & Reductions – $381 Million

In early action fiscal legislation passed in mid-February, Chapter 4, Laws of 2009 (ESHB 1694 – Fiscal Matters – 2007-09 Operating Budget), the Legislature adopted approximately $290 million in various reductions or savings measures. Many of these reductions were the result of the Governor's hiring, travel, equipment, and goods and services freeze implemented in the fall of 2008. In addition, the Legislature transferred $91 million from a variety of accounts into the state general fund.

Employee Compensation – $837 Million

As a result of suspending the Initiative 732 requirement for the 2009-11 biennium, the budget did not include $388 million in funding for COLAs for K-12 and certain community and technical college staff.

The budget also saved $449 million by modifying the actuarial assumptions and methods used for determining public employee retirement contributions. The changes include: (1) phasing in the adoption of a new funding method for the Plan 1 unfunded liabilities; (2) changes to assumed salary growth assumptions; (3) temporarily suspending the minimum contribution rates; and (4) delaying the adoption of new mortality tables until the 2011-13 biennium.

The budget provided increases of 3 percent each fiscal year for state employee health benefits, which is less than the expected 7 percent rate of medical inflation. Similar adjustments were made to the rate provided for K-12 employees through state funding formulas. The net result of these changes is a $94 million increase in the costs for state, higher education, and K-12 employee health benefits coverage for the 2009-11 biennium.

While not included in the budget problem, no funding is provided for COLAs for any state and higher education employees.

Federal Stimulus Funds – $3.0 Billion

The federal American Recovery and Reinvestment Act of 2009 will provide a significant amount of additional resources to Washington State. As depicted below, the budget over the next three years incorporated slightly over $3 billion to offset state costs or avoid having to make further reductions in state services.

Additional Federal Funds Used in the Budget
($ in thousands)

	FY 2009	2009-11	3-Year Total
FMAP (Primarily DSHS)			
ESHB 1694	205,000	0	205,000
ESHB 1244	321,532	1,301,341	1,622,873
Fiscal Stabilization (ESHB 1244)			
K-12	449,621	259,946	709,567
Higher Education	0	110,000	110,000
Public Safety	0	182,433	182,433
Other Federal			
ESHB 1694	133,190	0	133,190
ESHB 1244	0	74,285	74,285
Total	**1,109,343**	**1,928,005**	**3,037,348**

As noted on the chart, the State will receive approximately $1.8 billion in federal funding by an enhanced rate for Medicaid eligible services for low-income health care and certain related programs.

The State will also receive $1 billion of "fiscal stabilization" funding. The budget used these funds to support K-12 public schools, higher education, and the Department of Corrections.

Some of the other major types of federal assistance that help offset state costs are additional funding from Temporary Assistance for Needy Families (TANF) contingency funds, enhanced match for the State Children's Health Insurance Program (SCHIP), and child support match. It does not include money that goes directly to K-12 school districts, nor federal increases for items such as Byrne grant, community services block grant, and homeless programs.

Budget Reductions – $3.2 Billion

Besides compensation savings, the budget made $3.2 billion in programmatic reductions in all areas of state government. Some of the major reductions included:

- a $600 million reduction in the Initiative 728 per student allocations to school districts;
- a $557 million reduction from the amount needed to continue the current level of programs and activities at the state's public colleges and universities;
- achieving $386 million in savings through administrative or agency wide reductions and efficiencies in state agencies;
- a $255 million savings by reducing the Basic Health Plan, which provides low-income health coverage;
- a $127 million savings in amounts provided for hospital reimbursement;
- $68 million by implementing additional TANF caseload management strategies and reducing administrative costs; and
- $63 million in sentencing and community supervision changes.

While these are some of the larger reductions, the budget made reductions in all areas of state government. The Governor vetoed various items impacting spending – please see section below for more details.

Capital Related Transfers – $777 Million

The operating budget utilized $777 million of cash-related funds typically appropriated in the capital budget. This includes:

- $194 million (including $11 million from additional lottery earning from multi-state games) from the Education Construction Account;
- $180 million from the State and Local Toxic Accounts; and
- $368 million from the Public Works Assistance Account (PWAA).

In addition to the $368 million of PWAA transferred to the general fund, $10 million of PWAA is transferred to the City and County Assistance Account to increase aid to 15 mostly rural counties and 174 small cities.

Use of Rainy Day Fund – $445 Million

In fiscal years 2009 and 2010, the budget transfers a total of $445 million from the Budget Stabilization Account ("Rainy Day Fund") to the state general fund. After these transfers, the ending fund balance in the Budget Stabilization Account is estimated to be $250 million.

Other Fund Transfers – $314 Million

ESHB 1694 and ESHB 1244 made a variety of transfers from a variety of funds to increase General Fund-State reserves. Some of the largest transfers include: $62 million from the Liquor Revolving Fund; $51 million from the Education Savings Account; $29 million from the Performance Audit Fund; $26 million from the Life Science Discovery Fund; $22 million from the Convention Center Account; $31 million from the Treasury Service Account; $20 million from the Tobacco Prevention and Control Account; and $10 million from the Judicial Information Systems Account. The Governor vetoed two of these fund transfers – please see section below for more details.

New Resources – $180 Million (Net Increase)

Actions taken in the Operating Budget and in other legislation are expected to increase resources. Some of the measures projected to increase revenues include: $103 million from restructuring the resale certificate program and $8.8 million from changes to provisions related to the Department of Revenue collections of unpaid tax warrants. The Legislature also passed legislation that reduced resources including repealing the hybrid vehicle tax exemption and creating several tax incentives to renewable energy sources, log hauling, radioactive waste cleanup, and livestock nutrient management programs.

The budget also assumes $80 million in budget-driven revenue. These measures include:

- the Department of Revenue implementing additional strategies related to out-of-state auditing and compliance, the purchase of third party data sources for enhanced audit selection, and increased traditional auditing and compliance efforts;
- transferring a portion of the lottery unclaimed prizes to the general fund; and
- the Liquor Control Board opening new state stores and contract stores, opening nine additional state stores on Sunday, opening state liquor stores on seven holidays, and opening six mall locations during the holiday season.

Fund Consolidation

The majority of the summary materials reference NGF-S. This is a grouping of individual state accounts and includes the General Fund, the Student Achievement Fund, the Health Services Account, the Public Safety and Education Account (including the Equal Justice Subaccount), the Violence Reduction and Drug Enforcement Account, the Water Quality Account, the Pension Funding Stabilization Account, and the Education Legacy Trust Account. All but the last two accounts are also statutorily subject to the state expenditure limit.

Legislation was passed in the 2009 session that combines the accounts currently subject to the state expenditure limit into the state general fund starting with the 2009-11 biennium.

Governor's Operating Budget Vetoes

The Governor vetoed several spending and fund transfer related items that were passed by the Legislature. The combined effect of these vetoes was to decrease reserves by approximately $82 million from the level passed by the Legislature. These vetoes included:

- increasing spending by $32 million in the 2007-09 biennium;
- eliminating the transfer of $29 million from the Performance Audit Account to the general fund; and
- eliminating the $22 million transfer from the Convention Center Account to the general fund.

Estimated Revenues and Expenditures
Near General Fund
(Dollars in Millions)

	2007-09	2009-11
RESOURCES		
Beginning Fund Balance	**2,105.2**	**563.7**
Revenue		
November Revenue Forecast	31,213.8	32,765.5
March Revenue Change	-776.5	-2,262.0
Transfer to Budget Stabilization Account	-125.2	-263.4
Revenue Changes	0.0	100.4
Total Revenue	**30,312.2**	**30,340.5**
Other Resource Changes		
Prior Fund Transfers (2007 & 2008)	117.1	0.0
ESHB 1694 Fund Transfers	91.3	0.0
Use Budget Stabilization Account	400.0	45.1
Use Capital Budget Resources	77.0	700.1
Other Fund Transfers	24.5	197.9
Budget Driven Revenue	-0.9	80.3
Other Changes	18.9	1.0
Governor's Fund Transfer Vetoes	0.0	-51.2
Total Other Resource Changes	**727.9**	**973.2**
Total Revenues and Resources	**33,145.2**	**31,877.4**
EXPENDITURES		
Spending		
Enacted Budget in 2007-09/2009-11 Budget	33,655.2	31,390.2
2008 Actual Spending Adjustment	-15.6	0.0
ESHB 1694 (Early Action)	-634.7	0.0
2009 Supplemental	-455.7	0.0
Governor's Spending Related Vetoes	32.3	-1.6
Total Appropriations	**32,581.5**	**31,388.6**
RESERVES		
Ending Balance & Reserves		
Unrestricted Ending Fund Balance	563.7	488.8
Budget Stabilization Account Balance	31.8	250.0
Total Reserves	**595.4**	**738.8**

Note: The balance sheet reflects appropriations included in the enacted budget. In the 2009 regular session, the Legislature did not enact several bills that were assumed in the budget to generate approximately $70 million in savings.

2009-11 Washington State Omnibus Operating Budget
Cash Transfers to/from General Fund-State
(Dollars in Millions)

	To GF-S
Capital Budget Related Fund Transfers	
Public Works Assistance Account	368.0
School Construction Account/Lottery (Includes Multi-State)	193.8
Local Toxics Account	148.1
State Toxics Account	31.7
CEPRI Account	11.1
Aquatic Lands Enhancement Account	10.1
Thurston County Capital Facilities Account	8.4
Energy Freedom Account	6.0
Total	**777.1**
ESHB 1694 (Early Action Supplemental)	
Education Savings Account	51.1
Treasury Service Account	10.0
Savings Incentive Account	9.2
Streamline Sales Tax	8.6
Retirement Systems Expense	6.2
Family Leave Insurance Transfer	4.5
Reading Achievement Account	1.7
Total	**91.3**
Other Fund Transfers	
Liquor Revolving Fund (Assumed Retail Price Increase)	62.0
Performance Audit Account ($29.2 million transfer vetoed by the Governor)	0.0
Life Sciences Discovery Account	26.0
Convention & Trade Center Account ($22 million transfer vetoed by the Governor)	0.0
Treasurer's Account	20.8
Tobacco Prevention & Control Account	20.0
Judicial Information Services (JIS) Account	10.0
Economic Development Strategic Reserve	5.0
Washington Distinguished Professorship Trust Account	5.0
College Faculty Awards Trust Account	4.9
Waste Reduction & Recycling Account	4.0
Natural Resources Equipment Revolving Account	3.3
Customized Training Account	3.0
Flood Control Assistance Account	2.0
GET Ready for Math and Science Scholarship Account	1.9
DRS Expense Account	1.5
Washington Graduate Fellowship Trust Account	1.4
State Emergency Water Projects Account	0.4
Total	**171.2**
Total Fund Transfers	**1,039.6**

Washington State Omnibus Operating Budget
Adjustments to the Initiative 601 Expenditure Limit
(Dollars in Millions)

	FY 2009	FY 2010	FY 2011
Limit (Adopted by ELC 11/08) for FY 2009 (Rebased for FY 2010 & 2011)	**16,834.5**	**16,436.1**	**16,590.4**
Adjustments to the Expenditure Limit			
2009 Supplemental Program Costs Shifts			
LCB: Tobacco Enforcement	-1.9		
DSHS/DD: Employment & Day Waiver	-0.3		
DSHS/DD: Core Waiver	-1.0		
DSHS/DD: Medicaid Claiming Rate	-3.1	3.1	
DSHS/Economic Svcs: Fund Shifts	-3.2	3.2	
DSHS/Economic Svcs: Food Stamp Bonus	-2.0	2.0	
DSHS/Economic Svcs: TANF Contingency	-133.2	133.2	
DSHS/Economic Svcs: Basic Food Stimulus	-1.7		
DSHS/DASA: One-Time General Fund - State Savings	-15.6	15.6	
DSHS/DVR: One-Time General Fund - State Savings	-3.0	3.0	
DSHS/MA: Transportation Related FMAP	-0.4		
DSHS/MA: Move Some Pregnant Women to SCHIP	-2.1		
DSHS/MA: SCHIP For 113% to 200% of FPL	-4.4		
DSHS/MHD: Increased DSH Revenues	-2.3		
DSHS/MHD: Federal Block Grant Funding	-0.2		
DSHS/MHD: State Hospital Revenues	0.9		
DSHS/MHD: Dementia Wards	1.1	-1.1	
DOH: Maximization of All Fund Sources	-1.5		
DOL: Shift Costs to Transportation Funds	-0.3		
PSP: Fund Source Correction	-0.2		
State Parks: Parks Operations	-0.8		
DNR: Air Pollution Control Account	-0.2		
Agriculture: Shift to Dedicated Accounts	-0.2		
Ecology: Various Fund Shifts	-1.6		
OSPI: Assessment System	-0.5		
Arts Commission: Federal Grants	0.0		
Veteran's Affairs: Maintenance Level Revenue	-0.2		
* Veteran's Affairs: Federal Stimulus FMAP in Supplemental	-0.6		
* DSHS/MHD: Increased Stimulus DSH Revenues	-1.5		
* K-12: Fiscal Stabilization Federal Stimulus	-362.0		
* DSHS (Multiple): Federal Stimulus FMAP in ESHB 1694	-205.0		
* DSHS (Multiple): Federal Stimulus FMAP in Supplemental	-304.3		
* DSHS/Economic Svcs: Child Support Stimulus	-6.2		
2009-11 Biennial Budget -- Program Cost Shifts			
Agriculture: GFS in Fee Based Programs		-0.6	
Commerce: THOR Transfer		-4.3	
Commerce: CSBG		-1.4	
Commerce: Homeless Family Shelter Program		-2.5	
Commerce: State Energy Program		-0.9	
* DEL: Career & Wage Ladder		-0.8	
* DEL: Childcare Resource and Referral		-0.4	
DOC: Auto Theft Transfer		-2.0	
* DOC: Fiscal Stabilization Federal Stimulus		-182.4	182.4
* DOC: Reduce Offender Re-entry		-1.2	
* DOC: Security Threat Mitigation		-1.2	1.2
DOH: HIV and Syphilis Testing		0.4	0.0
DOH: Licensing Ambulatory CFL		-0.1	
DOH: Reduce Family Planning Grants			-3.0
DOH: Reduce Public Health Assistance		-8.0	
DOH: Vaccine Program Transition		-3.4	
DOL: Professional Athelete Monitoring		-0.1	-0.2
* DSHS (Multiple): Federal Stimulus FMAP		-366.4	457.6
DSHS (Multiple): FMAP ML		34.8	10.3

Washington State Omnibus Operating Budget
Adjustments to the Initiative 601 Expenditure Limit
(Dollars in Millions)

		FY 2009	FY 2010	FY 2011
	DSHS/Childrens: Crisis Residential Center Funding		-2.7	
	DSHS/Childrens: Domestic Violence Cost Shift		-0.3	
	DSHS/Childrens: Hope Beds		-0.7	
*	DSHS/Childrens: Sex Abuse Recognition Training		-0.2	
	DSHS/Childrens: Street Youth		-0.9	
*	DSHS/DASA: Drug Court Funding		-1.0	
	DSHS/DD: Employment & Day Waiver		-6.7	-0.2
	DSHS/DD: State Only to Waiver		-1.3	-0.4
	DSHS/DVR: Leveraging Federal Revenue		-2.1	
*	DSHS/Economic Svcs: Basic Food Stimulus Funding			1.7
*	DSHS/Economic Svcs: Child Support Stimulus		-2.0	6.2
	DSHS/Economic Svcs: WorkFirst Employment and Training		-18.1	7.0
	DSHS/LTC: Adult Family Home License Fees		-0.4	
	DSHS/MA: Claim FMAP for Transportation Administration		0.3	-0.3
	DSHS/MA: CPE Funding		-7.2	
	DSHS/MA: GA-U Outpatient DSH		-10.9	10.9
	DSHS/MA: Higher FMAP for 133% to 200% Kids		-5.0	-27.8
	DSHS/MA: Interpreter Services Higher Match		-1.3	-0.7
	DSHS/MA: Medicaid Match for Legal Immigrants		-2.0	0.2
	DSHS/MA: Medicare Part D Clawback		14.5	11.0
	DSHS/MA: Non-citizen Pregnancies		2.0	-2.3
	DSHS/MHD: Federal Block Grant Funding		-0.4	
	DSHS/MHD: State Hospital Revenues		2.5	-0.8
*	DSHS/MHD: Stimulus DSH		-1.5	1.5
	Fish and Wildlife: Title 77 RCW		-0.5	
	GA: Barrier Free Facilities		-0.1	
	Higher Education: Central Services Agency Charges		-1.7	
*	Higher Education: Fiscal Stabilization Federal Stimulus		-81.4	81.4
	Higher Education: Tuition increase to replace GFS		-20.9	-22.4
	Judicial Agencies: Utilize JST Account		-4.0	-2.7
*	K-12: Fiscal Stabilization Federal Stimulus		-14.6	376.6
	Liquor Control Board: Tobacco Enforcement		0.0	
	Military: WIN 211		-0.5	
	Puget Sound Partnership: Administrative Cost Shift		-0.1	
	Puget Sound Partnership: Coastal Monitoring		-0.2	
	Recreation Conservation Funding Board: Operating Shift to Capital		-0.1	
	State Parks: Various Park Related Adjustments		-21.7	0.0
*	State Patrol: Crime Lab Funding		-0.3	
*	State Patrol: Meth Task Force		-0.7	
*	Veteran's Affairs: Enhanced Federal FMAP		-0.5	0.5
	Veteran's Affairs: Federal Funding from GI Bill Change		-0.5	
	Veteran's Affairs: Maintenance Level Revenue		-2.4	-0.8
	Veteran's Affairs: Transitional Housing		-0.2	0.0
Revised Limit Related Funds		**15,777.3**	**15,859.3**	**17,677.3**

Notes: Adjustments are for display purposes only and are not official until adopted by the State Expenditure Limit Committtee (ELC). The limit for FY 2010 is rebased to FY 2009 actual spending (FY 2009 appropriations are used as the proxy). Fiscal Growth factors for FY 2010 (5.20 percent) and FY 2011 (4.61 percent) are as adopted at the November 2008 ELC meeting.

** These adjustments are related to the federal American Recovery and Reinvestment Act of 2009.*

2009-11 Washington State Budget

Appropriations Contained Within Other Legislation

(Dollars in Thousands)

Bill Number and Subject	Session Law	Agency	GF-S	Total
2009 Legislative Session				
SSB 6122 - Elections Division Costs	C 415 L 09 PV	Office of the Secretary of State	160	160

Revenues

The March 2009 forecast for Near General Fund-State revenue is $30.5 billion for the 2009-11 biennium. This forecast is much weaker than the February 2008 forecast which was the used in the 2008 legislative session. Forecasted Near General Fund-State revenues for fiscal years 2009 through 2011 have been reduced by $5.7 billion since the February 2008 forecast.

The current March forecast assumes that the national and Washington economies will be in recession for most of the year with modest growth not occurring until the latter part of 2010. The state is expected to continue to experience job losses even after the economy has begun to recover, with unemployment rising to approximately 10 percent.

The revenue-related legislation from the 2009 session increased potential revenue $100 million for the 2009-11 biennium. The revenue increases were due mainly to a bill relating to tax compliance. There were a few tax preferences adopted, the largest of which was legislation that provides many environmental tax incentives and legislation to reduce business and occupation taxes (B&O) to the newspaper industry.

Tax Compliance Legislation

Chapter 563, Laws of 2009 (SB 6173), eliminates the resale certificate for businesses that make purchases for resale. Instead, the Department of Revenue (DOR) will issue seller's permits only to businesses that make purchases for resale in their normal course of business. This, and several other provisions of the legislation, will provide the Department with additional oversight of sales tax free purchases for resale.

Chapter 562, Laws of 2009 (ESSB 6169), authorizes DOR to enhance collections by providing a partial or full list of unpaid tax warrants to financial institutions and requiring the financial institution to withhold and deliver property owned by delinquent taxpayers to DOR.

Chapter 309, Laws of 2009 (SB 5568), allows DOR to apply for a subpoena to a superior court or district court to obtain third party information, if there is probable cause to believe that records in the possession of the third party will aid DOR in connection with its official duties relating to an audit, collection activity, or a civil or criminal investigation.

Tax Reductions

Chapter 469, Laws of 2009 (ESSB 6170), repeals the hybrid vehicle tax exemption. Additionally, it provides the following environmental and renewable energy tax incentives:

- Renewable Energy – Provides a sales tax exemption for machinery and equipment used to create renewable energy from fuel cells, sun, wind, biomass energy, tidal and wave energy, geothermal resources, anaerobic digestion, and technology that converts otherwise lost energy from exhaust or landfill gas. This exemption expires on June 30, 2013.
- Radioactive Waste Cleanup – Reduces the B&O tax rate from 1.5 percent to 0.471 percent for persons providing certain support services, which are either within the scope of work under a cleanup contract with the U.S. Department of Energy, or which assist in the requirement of a cleanup subcontract for radioactive waste cleanup.
- Hog Fuel Incentives – Provides a sales and use tax exemption for hog fuel used to produce electricity, steam, heat, or biofuel. This exemption expires on June 30, 2013.

- Biomass Energy Incentives – Provides a B&O tax credit for harvesters of harvested green ton of forest-derived biomass sold or used for production of electricity, steam, heat, or biofuel. This credit expires on June 30, 2015. Also provides a sales tax and use exemption for the sale of forest-derived biomass used to produce electricity, steam, heat, or biofuel. This exemption expires on June 30, 2013.
- Solar Energy and Semiconductor Incentives – Reduces the B&O tax rate from 0.2904 percent to 0.275 percent for businesses that manufacture or sell at wholesale either: (1) solar energy systems using photovoltaic modules; or (2) solar grade silicon and an expanded list of materials to be used exclusively in the components of solar systems or semiconductors. This exemption expires on June 30, 2014. Exempts gases and chemicals used in the production of some solar energy equipment from sales tax and use tax. This exemption expires on December 1, 2018. Extends the public utility tax (PUT) cost-recovery incentive program for renewable energy systems to "community solar projects." The expiration date of the PUT incentive is extended from June 30, 2015, to June 30, 2020.
- Livestock Nutrient Incentives – Clarifies the nutrient management sales and use tax exemption with a specified list of exempt equipment and facilities.
- Log Hauling – Reduces the PUT rate from 1.926 percent to 1.3696 percent on the hauling of logs over public highways. This exemption expires on June 30, 2013.

Chapter 461, Laws of 2009 (EHB 2122), reduces the B&O tax rate on newspapers and printers of newspapers from 0.484 percent to 0.2904 percent.

2009 Revenue Legislation
General Fund-State
Dollars in Thousands

Bill Number	Subject	2009-11
SB 6173	Improving Sales Tax Compliance	102,550
ESSB 6108	State Lottery Agreements/Powerball	11,464
ESSB 6169	Enhancing Tax Collection Tools	8,755
SHB 1067	Creating the Uniform Limited Partnership Act	1,164
SSB 5571	Electronic Methods/Dept of Revenue	241
SSB 5616	Business Customized Training	84
SHB 2013	Self-Service Storage Insurance	46
SHB 1592	Registering with Secretary of State	40
ESHB 1326	Pacific Sardines	7
E2SHB 1208	Property Tax Administration	0
2SHB 1290	Local Tourism Promotion Areas	0
SHB 1435	Cigarette and Tobacco Licenses	0
SHB 1751	Rural Counties Public Facilities	0
EHB 1815	Property Tax Open Space Program	0
EHB 2299	Public Facilities Districts	0
ESSB 5321	Local and State Sales and Use Tax	0
SB 5354	Public Hospital Capital Facilities Areas	0
SB 5355	Rural County Library Districts	0
SSB 5368	Annual Property Valuation	0
ESSB 5421	Salmon and Steelhead Stamp Program	0
2SSB 5433	Local Option Tax Provisions	0
SB 5511	City-County Assistance Account Distributions	0
SSB 5566	Excise and Sales and Use Taxes	0
SB 5568	Enhancing Tax Collection Tools	0
SB 5587	Heavy Rail Short Lines	0
SB 5680	Nonprofit Organizations	0
SB 5909	High Tech Sales and Use Tax	0
SB 6096	Vessels in Foreign Commerce	0
2SHB 1484	Habitat Open Space	-3
SSB 5793	Single-Occupancy Farm Conveyance	-3
SHB 1733	Current Use Valuation Programs	-27
HB 1579	Nonprofit Legal Services	-55
HB 1287	Intrastate Commuter Aircraft Operations	-93
SB 6126	Boxing and Similar Events	-147
SB 5470	Low-Income Senior Housing	-149
SHB 1062	Electrolytic Process Tax Exemption	-313
2SHB 1481	Electric Vehicles	-316
2SSB 5045	Community Revitalization Financing	-2,250
EHB 2122	Newspaper Industry B&O Tax	-2,500
ESHB 2075	Excise Taxation	-2,635
ESSB 6170	Environmental Tax Incentives	-3,977
	Other Legislation	32
	Total General Fund-State Revenue Impact	**111,915**

Revenue Legislation

The legislation listed below is a summary of bills passed during the 2009 session that affect state revenues or state or local government tax statutes but may not cover all revenue-related bills.

Improving Sales Tax Compliance – $102.6 Million General Fund-State Increase
Chapter 563, Laws of 2009 (SB 6173), eliminates the resale certificate for businesses that make purchases for resale. Instead, the Department of Revenue (DOR) will issue seller's permits, only to businesses that make purchases for resale in their normal course of business. This, and several other provisions of the legislation, will provide the Department with additional oversight of sales tax free purchases for resale.

Enhancing Tax Collection Tools to Promote Fairness and Administrative Efficiency – $8.8 Million General Fund-State Increase
Chapter 562, Laws of 2009 (ESSB 6169), authorizes DOR to issue a notice and order to withhold and deliver property to any financial institution by providing a partial or full list of unpaid tax warrants.

Creating the Uniform Limited Partnership Act – $1.2 Million General Fund-State Increase
Chapter 188, Laws of 2009 (SHB 1067), adopts the Washington Uniform Limited Partnership Act, changing many aspects of limited partnership law to modernize the statute, to update the fee structure, and to conform the provisions more closely to statutes governing other business entities in Washington.

Requiring the Use of Electronic Methods for Filing Taxes, Payment of Taxes, Assessment of Taxes, and Other Taxpayer Information – $241,000 General Fund-State Increase
Chapter 176, Laws of 2009 (SSB 5571), requires electronic filing of tax returns and electronic tax payment but only if the taxpayer is required to file and remit taxes monthly. Electronic filing and payment are allowed for taxpayers on the quarterly and annual basis.

Connecting Business Expansion and Recruitment to Customized Training – $84,000 General Fund-State Increase
Chapter 296 Laws of 2009 (SSB 5616), delays payments for training provided to participating employers into the employment training finance account and delays the taking of B&O tax credits from the 2009-11 period to the 2011-13 period.

Allowing the Owner of a Self-Service Storage Facility to Offer Self-Service Storage Insurance – $46,000 General Fund-State Increase
Chapter 119, Laws of 2009 (SHB 2013), requires the owner of a self storage facility to obtain a license from the Insurance Commissioner to sell insurance to customers for covering goods stored at the facility. Fees are $130 each two years for a storage producer with fewer than 50 employees and $365 if the storage producer has 50 or more employees.

Registering Business Entities and Associations with the Secretary of State – $40,000 General Fund-State Increase
Chapter 437, Laws of 2009 (SHB 1592), requires all corporations sole to file an annual report with the Office of the Secretary of State along with a $10 filing fee.

Establishing a License Limitation Program for Harvest and Delivery of Pacific Sardines into the State – $7,000 General Fund-State Increase
Chapter 331, Laws of 2009 (ESHB 1326), requires an annual sardine license or permit of $185 for residents and $295 for nonresidents.

Concerning Property Tax Administration – No Impact to General Fund-State
Chapter 350, Laws of 2009 (E2SHB 1208), authorizes a county treasurer to begin collection of specified taxes and assessments once the treasurer completes the yearly tax roll; makes payment dates for diking, drainage, or sewerage improvement district assessments the same as for property taxes; requires that property tax refund claims be made within three years of the due date for payment; and allows local taxing districts to levy additional property taxes to fund tax refunds and specified tax abatement reimbursements.

Concerning Local Tourism Promotion Areas – No Impact to General Fund-State
Chapter 442, Laws of 2009 (2SHB 1290), allows counties with populations greater than one million to create tourism promotion areas if two or more jurisdictions operating under an interlocal agreement seek the establishment of the tourism promotion area. Within a tourism promotion area, a tax of up to $2 per night may be charged for lodging.

Liquor/Tobacco – Licensing Provisions for Cigarettes and Tobacco Products – No Impact to General Fund-State
Chapter 154, Laws of 2009 (SHB 1435), provides the Liquor Control Board with administrative authority to approve, deny, suspend, and revoke retail, wholesale, and distributor cigarette and tobacco products licenses. Applicants for a tobacco retailer license are required to undergo a criminal background check.

Concerning the Time Period During Which Sales and Use Tax for Public Facilities in Rural Counties May Be Collected – No Impact to General Fund-State
Chapter 511, Laws of 2009 (SHB 1751), allows a rural county to impose the rural county sales and use tax for 25 years from the date the county changes the tax rate from 0.08 percent to 0.09 percent as long as the 0.09 percent rate is first imposed before August 1, 2009.

Concerning Current Use Valuation Under the Property Tax Open Space Program – No Impact to General Fund-State
Chapter 513, Laws of 2009 (EHB 1815), amends the current use farm and agriculture category for parcels of land between 5 and 20 acres by modifying income requirements for standing crops that have an expectation of harvest within 7 years or 15 years in the case of short-rotation hardwoods. Such crops will meet income eligibility requirements if at least $100 or more per acre of investment is made in the current or previous year. Also, it provides that when an assessor notifies a property owner that the property no longer qualifies for current use assessment, then the assessor will provide information on appeal procedures, including timelines, petition forms, and county board of equalization contact information.

Concerning Formation, Operation, and Non-State Funding of Public Facilities Districts – No Impact to General Fund-State
Chapter 533, Laws of 2009 (EHB 2299), allows a contiguous group of cities or their counties to form an additional public facilities district for developing recreational facilities notwithstanding that the city or county has previously formed one or more public facilities districts within the same geographic boundaries. Further, it clarifies that the new public facilities district may not impose a sales or use tax that exceeds 0.2 percent minus the rate of the highest tax already authorized by any other public facilities district within its boundaries.

Extending Local Sales and Use Tax Credited Against the State Sales and Use Tax – No Impact to General Fund-State
Chapter 550, Laws of 2009 (ESSB 5321), extends the sales tax credit for cities annexing an area until 2015. The city of Seattle may qualify for a credit at the rate of 0.85 percent up to a maximum of $5 million per year. Any city exceeding the maximum credit before 2010 may receive an additional 0.1 percent credit.

Regarding Public Hospital Capital Facility Areas – No Impact to General Fund-State
Chapter 481, Laws of 2009 (SB 5354), establishes a mechanism for forming voter-approved public hospital capital facility areas (hospital facility areas) for financing public hospital capital facilities and other capital health care facilities and specifies governance provisions and powers for hospital facility areas, including authorization to incur indebtedness, issue bonds, and levy property taxes.

Regarding Initial Levy Rates for Rural County Library Districts – No Impact to General Fund-State
Chapter 306, Laws of 2009 (SB 5355), allows a petition and ballot measure proposing the creation of a rural county library district to include information regarding the maximum initial tax levy rate for the proposed district; requires that if a petition for the creation of a district includes the disclosure of a proposed initial maximum tax levy rate, then the ballot proposition must also include the same tax levy information; and requires that a district's initial tax levy rate not exceed that permitted under statute or, if applicable, the tax levy rate may not exceed that specified in the ballot proposition approved by the voters.

Making Provisions for all Counties to Value Property Annually for Property Tax Purposes – No Impact to General Fund-State
Chapter 308, Laws of 2009 (SSB 5368), requires that all counties value property on an annual basis for property tax purposes by 2014. To help fund this, DOR will administer a grant program and provide assistance to the counties. The grant program is funded by extending the $5 real estate technology fee that was set to expire in 2010.

Creating the Columbia River Recreational Salmon and Steelhead Pilot Stamp Program – No Impact to General Fund-State
Chapter 420, Laws of 2009 (ESSB 5421), creates a pilot program, to be administered by the Washington State Department of Fish and Wildlife, regarding recreational salmon and steelhead fishing on the Columbia River. An additional payment of $7.50 is added to all recreational fishing licenses used for salmon and steelhead fishing in the Columbia River or its tributaries.

Modifying Provisions of Local Option Taxes – No Impact to General Fund-State
Chapter 551, Laws of 2009, Partial Veto (2SSB 5433), allows counties to partially supplant existing funds until January 1, 2015, for the county public safety sales and use tax and the mental health/chemical dependency sales and use tax. Multi-year property tax lid lifts may also be used to supplant existing funds; however, in King County, this is allowed only for lid lifts approved in 2009, 2010, and 2011. The ferry district property tax rate in King County is lowered to 7.5 cents per $1,000 of assessed value. An additional property tax in King County is authorized to fund transit projects at a rate of 7.5 cents per $1,000 assessed value.

Making Changes Affecting City-County Assistance Account Distributions in Response to the Recommendations of the Joint Legislative Audit and Review Committee – No Impact to General Fund-State in FY 2009 to FY 2011
Chapter 127, Laws of 2009 (SB 5511), provides that streamline sales tax mitigation distributions are included into the determination of eligibility for, and amounts of, city/county assistance account distributions. The certification date for city/county assistance account distributions is changed from March 1 to October 1, beginning October 1, 2009.

Harmonizing Excise Tax Statutes with the Streamlined Sales and Use Tax Agreement – No Impact to General Fund-State
Chapter 289, Laws of 2009 (SSB 5566), provides that the sourcing, for sales tax purposes, of direct mail that is delivered or distributed from a location within this state to another location within this state is sourced to the address of the seller from which the direct mail was sent.

Enhancing Tax Collection Tools to Promote Fairness and Administrative Efficiency – No Impact to General Fund-State
Chapter 309, Laws of 2009 (SB 5568), allows DOR to apply for a subpoena to a superior court or district court to obtain third party information if there is probable cause to believe that records in the possession of the third party will aid DOR in connection with its official duties relating to an audit, collection activity, or a civil or criminal investigation.

Authorizing Existing City and County Real Estate Excise Taxes to be Expended on Municipally-Owned Heavy Rail Short Lines – No Impact to General Fund-State
Chapter 211, Laws of 2009 (SB 5587), allows up to 25 percent of the proceeds collected from a locally-imposed real estate excise tax before December 31, 2008, to be used for municipally-owned heavy short line railroads and includes a June 30, 2012, expiration date.

Modifying the Property Tax Exemption for Nonprofit Artistic, Scientific, Historical, and Performing Arts Organizations – No Impact to General Fund-State
Chapter 58, Laws of 2009 (SB 5680), increases the number of days that exempt property can be used for non-exempt purposes from 25 to 50 days per year. The number of days the property may be used for profit-making business activities is increased from 7 days to 15 days. This provision applies for property that is used for historical, scientific, or artistic collection, as well as performing arts.

Eligibility of Multiple Buildings in the High Technology Retail Sales and Use Tax Deferral Program – No Impact to General Fund-State
Chapter 268, Laws of 2009 (SB 5909), changes the high tech deferral to allow multiple qualified buildings leased to the same person to be eligible for the deferral when the structures are located within a 5 mile radius and the initiation of construction of each building begins within a 60-month period.

Clarifying the Tax Classification of Manufacturing of Fuel for Consumption Outside the Waters of the United States – No Impact to General Fund-State
Chapter 494, Laws of 2009 (SB 6096), clarifies that, while income from wholesaling and retailing of bunker fuel can be deducted from the B&O tax, manufacturing of bunker fuel is taxable under the B&O manufacturing classification.

Regarding Habitat Open Space – $3,000 General Fund-State Decrease
Chapter 354, Laws of 2009, Partial Veto (2SHB 1484), creates an exception for payment of back taxes for designated forest land located in counties with a population greater than 600,000, if the sale or transfer of land is to a governmental entity, nonprofit historic preservation, or nonprofit nature conservancy corporation for the purpose of conserving open space land.

Concerning a Single-Occupancy Farm Conveyance – $3,000 General Fund-State Decrease
Chapter 128, Laws of 2009 (SSB 5793), exempts single-occupancy farm conveyances used exclusively by a farm operator and the farm operator's family members from the Department of Labor and Industries permit and inspection requirements.

Concerning the Property Tax Current Use Valuation Programs – $27,000 General Fund-State Decrease
Chapter 255, Laws of 2009 (SHB 1733), allows land used for equestrian activities such as stabling, training, riding, clinics, schooling, shows, or grazing for feed to be eligible for current use valuation as farm and agricultural land. Also allows an exception from the requirement to pay additional tax upon removal of property from a current use classification when the classification was originally granted in error through no fault of the owner.

Concerning a Business and Occupation Tax Exemption for Nonprofit Organizations that Provide Legal Services to Low-Income Individuals – $55,000 General Fund-State Decrease
Chapter 508, Laws of 2009 (HB 1579), creates a B&O tax exemption for nonprofit organizations that primarily provide legal services to low-income individuals from whom no charge for services is collected.

Sales and Use Tax Exemptions for Intrastate Commuter Aircraft Operations – $93,000 General Fund-State Decrease
Chapter 503, Laws of 2009 (HB 1287), provides a sales and use tax exemption for the sale of airplanes for use in providing intrastate air transportation by a commuter air carrier.

Concerning Boxing, Martial Arts, and Wrestling Events – $146,500 General Fund-State Decrease
Chapter 429, Laws of 2009 (SB 6126), eliminates the 5 percent general fund tax on events and creates a new event fee that is deposited into the Business and Professions Account.

Sales and Use Tax Exemptions for Senior Residents of Low-Income Senior Housing Facilities – $149,000 General Fund-State Decrease
Chapter 483, Laws of 2009 (SB 5470), provides a sales and use tax exemption for bundled service packages and meals when provided by qualified low-income senior housing facilities.

Modifying the Electrolytic Processing Business Tax Exemption – $313,000 General Fund-State Decrease
Chapter 434, Laws of 2009 (SHB 1062), extends the Public Utility Tax exemption for sales of electricity by a utility chlor-alkali or a sodium chlorate chemical business until December 31, 2018.

Regarding Electric Vehicles – $316,000 General Fund-State Decrease
Chapter 459, Laws of 2009 (2SHB 1481), provides a sales and use tax exemption for electric vehicle batteries and for electric vehicle infrastructure. In addition, a leasehold excise tax exemption is provided for electric vehicle infrastructure. The bill also contains several other provisions to promote electric vehicle infrastructure within the state.

Regarding Community Revitalization Financing – $2.3 Million General Fund-State Decrease
Chapter 270, Laws of 2009 (2SSB 5045), allows local governments to create "revitalization areas" and use certain tax revenues that increase within the area to finance local public improvements, including a state contribution in the form of a local sales and use tax credited against the state tax. The following areas are "demonstration projects" that may establish revitalization areas and finance local public improvements: Whitman County, University Place, Tacoma, Bremerton, Auburn, Vancouver, and Spokane. These demonstration projects may impose the new local tax credited against the state tax beginning July 1, 2010, and the maximum state contribution is $2.25 million per fiscal year. Other projects may apply to DOR starting September 1, 2009. These projects may impose the new local tax credited against the state tax beginning July 1, 2011, and the maximum state contribution is $2.5 million per fiscal year. The maximum state contribution per project is $500,000 per fiscal year.

Regarding the Taxation of Newspapers – $2.5 Million General Fund-State Decrease
Chapter 461, Laws of 2009 (EHB 2122), reduces the B&O tax rate on newspapers and printers of newspapers from 0.484 percent to 0.2904 percent.

Concerning the Excise Taxation of Certain Products and Services Provided or Furnished Electronically – $2.6 Million General Fund-State Decrease
Chapter 535, Laws of 2009 (ESHB 2075), codifies the current tax treatment of digital goods. In addition, the bill provides for broad based taxation of digital products and services while providing many exemptions for certain types of business related to digital products and services.

Concerning Environmental Tax Incentives – $4.0 Million General Fund-State Decrease
Chapter 469, Laws of 2009 (ESSB 6170), repeals the hybrid vehicle tax exemption. Additionally, it provides several tax incentives to renewable energy sources, log hauling, radioactive waste cleanup, and livestock nutrient management programs.

Providing Authority for the State Lottery to Enter into Agreements to Conduct Multi-State Shared Games – $11.5 Million Education Construction Account Increase
Chapter 576, Laws of 2009 (ESSB 6108), allows the Washington State Lottery Commission to enter into an agreement for a second multi-state lottery game known as Powerball. After distributions to the Education Construction Account, net revenues from the Powerball game will be transferred to the state general fund for the Student Achievement Program. For the 2009-11 biennium, while not raising General Fund-State revenues, the second multi-state lottery game will allow a transfer of $11.5 million from the Education Construction Account to General Fund-State.

Budget-Driven Revenue

Department of Revenue Enhancement – $60.1 Million General Fund-State Increase
This revenue is the result of the implementation of revenue enhancement strategies by the Department of Revenue. The strategies include increased out-of-state auditing and compliance, the purchase of third party data sources for enhanced audit selection, and increased traditional auditing and compliance efforts.

Liquor Control Board Enhancement – $9.1 Million Near General Fund-State Increase
Several revenue-enhancing measures were implemented in the budget including opening five new state stores and ten new contract stores. Additionally, appropriations are provided for new retail strategies, including opening nine state stores on Sunday, opening state liquor stores on seven holidays, and opening six mall locations during the holiday season. Also, included in the total are other minor policy level changes impacting revenues.

Lottery Unclaimed Prizes – $11.0 Million General Fund-State Increase
The budget assumes that a portion of the unclaimed prizes will transfer to the general fund rather than be retained in the State Lottery Account.

Washington State Omnibus Operating Budget

2007-09 Budget vs. 2009-11 Budget

TOTAL STATE

(Dollars in Thousands)

	Near General Fund-State			Total All Funds		
	2007-09	2009-11	Difference	2007-09	2009-11	Difference
Legislative	164,171	156,095	-8,076	168,804	160,456	-8,348
Judicial	247,458	229,184	-18,274	288,381	269,541	-18,840
Governmental Operations	552,269	478,741	-73,528	3,651,917	3,885,907	233,990
Other Human Services	2,726,321	2,295,199	-431,122	5,118,654	4,958,187	-160,467
DSHS	9,385,547	8,955,615	-429,932	19,498,223	19,916,679	418,456
Natural Resources	506,424	379,918	-126,506	1,540,244	1,463,500	-76,744
Transportation	86,271	85,214	-1,057	171,622	192,771	21,149
Public Schools	13,297,765	13,311,962	14,197	15,216,207	15,649,042	432,835
Higher Education	3,581,124	3,262,624	-318,500	9,140,361	9,491,726	351,365
Other Education	180,861	165,778	-15,083	447,202	476,200	28,998
Special Appropriations	1,868,896	2,068,266	199,370	2,118,371	2,261,860	143,489
Statewide Total	**32,597,107**	**31,388,596**	**-1,208,511**	**57,359,986**	**58,725,869**	**1,365,883**

Note: Includes only appropriations from the Omnibus Operating Budget enacted through the 2009 legislative session and appropriations contained in other legislation shown on page 446.

Washington State Omnibus Operating Budget

2007-09 Budget vs. 2009-11 Budget

LEGISLATIVE AND JUDICIAL

(Dollars in Thousands)

	Near General Fund-State			Total All Funds		
	2007-09	2009-11	Difference	2007-09	2009-11	Difference
House of Representatives	70,850	66,879	-3,971	70,926	66,879	-4,047
Senate	55,963	52,139	-3,824	56,038	52,139	-3,899
Jt Leg Audit & Review Committee	6,326	5,758	-568	6,326	5,758	-568
LEAP Committee	3,474	3,675	201	3,474	3,675	201
Office of the State Actuary	25	225	200	3,335	3,514	179
Joint Legislative Systems Comm	17,581	17,170	-411	17,581	17,170	-411
Statute Law Committee	9,952	9,639	-313	11,124	10,711	-413
Redistricting Commission	0	610	610	0	610	610
Total Legislative	**164,171**	**156,095**	**-8,076**	**168,804**	**160,456**	**-8,348**
Supreme Court	14,812	13,860	-952	14,812	13,860	-952
State Law Library	4,436	3,846	-590	4,436	3,846	-590
Court of Appeals	32,905	31,688	-1,217	32,905	31,688	-1,217
Commission on Judicial Conduct	2,222	2,114	-108	2,222	2,114	-108
Administrative Office of the Courts	116,574	105,419	-11,155	157,497	141,693	-15,804
Office of Public Defense	54,075	49,977	-4,098	54,075	52,900	-1,175
Office of Civil Legal Aid	22,434	22,280	-154	22,434	23,440	1,006
Total Judicial	**247,458**	**229,184**	**-18,274**	**288,381**	**269,541**	**-18,840**
Total Legislative/Judicial	**411,629**	**385,279**	**-26,350**	**457,185**	**429,997**	**-27,188**

Washington State Omnibus Operating Budget

2007-09 Budget vs. 2009-11 Budget

GOVERNMENTAL OPERATIONS

(Dollars in Thousands)

	Near General Fund-State			Total All Funds		
	2007-09	2009-11	Difference	2007-09	2009-11	Difference
Office of the Governor	12,964	11,756	-1,208	19,679	13,256	-6,423
Office of the Lieutenant Governor	1,591	1,558	-33	1,681	1,653	-28
Public Disclosure Commission	4,906	4,531	-375	4,906	4,531	-375
Office of the Secretary of State	55,068	39,974	-15,094	125,630	107,603	-18,027
Governor's Office of Indian Affairs	785	542	-243	785	542	-243
Asian-Pacific-American Affrs	800	460	-340	800	460	-340
Office of the State Treasurer	0	0	0	15,538	14,802	-736
Office of the State Auditor	1,532	1,451	-81	82,479	78,335	-4,144
Comm Salaries for Elected Officials	381	383	2	381	383	2
Office of the Attorney General	14,174	10,899	-3,275	254,826	241,878	-12,948
Caseload Forecast Council	1,583	1,551	-32	1,583	1,551	-32
Dept of Financial Institutions	1,500	0	-1,500	48,101	44,197	-3,904
Department of Commerce	146,353	103,078	-43,275	503,059	592,072	89,013
Economic & Revenue Forecast Council	1,531	1,520	-11	1,531	1,520	-11
Office of Financial Management	58,068	42,955	-15,113	141,640	136,506	-5,134
Office of Administrative Hearings	0	0	0	32,213	33,523	1,310
Department of Personnel	96	0	-96	62,953	65,459	2,506
State Lottery Commission	0	0	0	795,443	901,704	106,261
Washington State Gambling Comm	0	0	0	33,633	29,286	-4,347
WA State Comm on Hispanic Affairs	678	513	-165	678	513	-165
African-American Affairs Comm	514	487	-27	514	487	-27
Department of Retirement Systems	303	0	-303	53,098	53,109	11
State Investment Board	0	0	0	24,332	29,581	5,249
Public Printer	0	0	0	19,132	19,980	848
Department of Revenue	198,302	217,820	19,518	214,995	234,394	19,399
Board of Tax Appeals	2,845	2,732	-113	2,845	2,732	-113
Municipal Research Council	425	0	-425	5,729	5,455	-274
Minority & Women's Business Enterp	0	0	0	3,614	3,622	8
Dept of General Administration	1,374	1,626	252	166,084	194,524	28,440
Department of Information Services	7,571	2,208	-5,363	263,558	260,388	-3,170
Office of Insurance Commissioner	0	0	0	46,968	49,921	2,953
State Board of Accountancy	0	0	0	2,924	3,016	92
Forensic Investigations Council	0	0	0	276	280	4
Washington Horse Racing Commission	0	0	0	8,987	10,614	1,627
WA State Liquor Control Board	1,910	0	-1,910	235,980	243,518	7,538
Utilities and Transportation Comm	160	0	-160	35,927	36,036	109
Board for Volunteer Firefighters	0	0	0	1,041	1,044	3
Military Department	23,956	20,534	-3,422	324,594	330,846	6,252
Public Employment Relations Comm	6,427	6,208	-219	9,714	9,498	-216
LEOFF 2 Retirement Board	0	0	0	2,020	2,044	24
Archaeology & Historic Preservation	2,655	2,732	77	4,710	4,699	-11
Growth Management Hearings Board	3,817	3,223	-594	3,817	3,223	-594
State Convention and Trade Center	0	0	0	93,519	117,122	23,603
Total Governmental Operations	**552,269**	**478,741**	**-73,528**	**3,651,917**	**3,885,907**	**233,990**

Washington State Omnibus Operating Budget

2007-09 Budget vs. 2009-11 Budget

HUMAN SERVICES

(Dollars in Thousands)

	Near General Fund-State			Total All Funds		
	2007-09	2009-11	Difference	2007-09	2009-11	Difference
WA State Health Care Authority	562,102	388,433	-173,669	756,977	590,480	-166,497
Human Rights Commission	6,957	5,616	-1,341	8,680	6,915	-1,765
Bd of Industrial Insurance Appeals	0	0	0	36,111	36,926	815
Criminal Justice Training Comm	37,306	38,322	1,016	50,236	44,974	-5,262
Department of Labor and Industries	49,258	48,489	-769	616,154	630,563	14,409
Indeterminate Sentence Review Board	3,813	3,830	17	3,813	3,830	17
Home Care Quality Authority	3,258	2,450	-808	3,258	2,450	-808
Department of Health	254,429	193,048	-61,381	1,034,123	991,704	-42,419
Department of Veterans' Affairs	27,571	20,123	-7,448	110,776	110,239	-537
Department of Corrections	1,774,266	1,580,733	-193,533	1,785,173	1,781,162	-4,011
Dept of Services for the Blind	4,941	5,094	153	25,559	25,105	-454
Sentencing Guidelines Commission	2,088	1,954	-134	2,088	1,954	-134
Employment Security Department	332	7,107	6,775	685,706	731,885	46,179
Total Other Human Services	**2,726,321**	**2,295,199**	**-431,122**	**5,118,654**	**4,958,187**	**-160,467**

Washington State Omnibus Operating Budget

2007-09 Budget vs. 2009-11 Budget

DEPARTMENT OF SOCIAL & HEALTH SERVICES

(Dollars in Thousands)

	Near General Fund-State			Total All Funds		
	2007-09	2009-11	Difference	2007-09	2009-11	Difference
Children and Family Services	671,804	633,214	-38,590	1,175,709	1,140,094	-35,615
Juvenile Rehabilitation	216,628	197,951	-18,677	228,491	213,113	-15,378
Mental Health	902,388	820,901	-81,487	1,561,134	1,525,591	-35,543
Developmental Disabilities	867,277	820,242	-47,035	1,791,090	1,918,891	127,801
Long-Term Care	1,361,692	1,284,289	-77,403	3,010,592	3,120,577	109,985
Economic Services Administration	1,058,768	1,145,907	87,139	2,311,838	2,343,330	31,492
Alcohol & Substance Abuse	175,885	166,889	-8,996	379,301	334,485	-44,816
Medical Assistance Payments	3,810,522	3,582,184	-228,338	8,498,862	8,824,601	325,739
Vocational Rehabilitation	19,829	20,579	750	122,325	106,111	-16,214
Administration/Support Svcs	84,065	69,392	-14,673	148,328	126,325	-22,003
Special Commitment Center	103,984	107,164	3,180	103,984	107,164	3,180
Payments to Other Agencies	112,705	106,903	-5,802	166,569	156,397	-10,172
Total DSHS	**9,385,547**	**8,955,615**	**-429,932**	**19,498,223**	**19,916,679**	**418,456**
Total Human Services	**12,111,868**	**11,250,814**	**-861,054**	**24,616,877**	**24,874,866**	**257,989**

Washington State Omnibus Operating Budget

2007-09 Budget vs. 2009-11 Budget

NATURAL RESOURCES

(Dollars in Thousands)

	Near General Fund-State			Total All Funds		
	2007-09	2009-11	Difference	2007-09	2009-11	Difference
Columbia River Gorge Commission	1,033	886	-147	2,059	1,780	-279
Department of Ecology	127,300	118,356	-8,944	457,939	445,627	-12,312
WA Pollution Liab Insurance Program	0	0	0	1,798	1,644	-154
State Parks and Recreation Comm	94,525	46,485	-48,040	148,379	151,981	3,602
Rec and Conservation Funding Board	3,271	3,069	-202	27,991	18,207	-9,784
Environmental Hearings Office	2,253	2,153	-100	2,253	2,153	-100
State Conservation Commission	16,568	15,399	-1,169	17,746	16,578	-1,168
Dept of Fish and Wildlife	106,163	81,173	-24,990	342,711	326,765	-15,946
Puget Sound Partnership	8,488	6,417	-2,071	15,853	11,436	-4,417
Department of Natural Resources	118,744	81,132	-37,612	404,720	360,354	-44,366
Department of Agriculture	28,079	24,848	-3,231	118,795	126,975	8,180
Total Natural Resources	**506,424**	**379,918**	**-126,506**	**1,540,244**	**1,463,500**	**-76,744**

Washington State Omnibus Operating Budget

2007-09 Budget vs. 2009-11 Budget

TRANSPORTATION

(Dollars in Thousands)

	Near General Fund-State			Total All Funds		
	2007-09	2009-11	Difference	2007-09	2009-11	Difference
Washington State Patrol	82,855	81,834	-1,021	122,693	136,475	13,782
Department of Licensing	3,416	3,380	-36	48,929	56,296	7,367
Total Transportation	**86,271**	**85,214**	**-1,057**	**171,622**	**192,771**	**21,149**

Washington State Omnibus Operating Budget

2007-09 Budget vs. 2009-11 Budget

PUBLIC SCHOOLS

(Dollars in Thousands)

	Near General Fund-State			Total All Funds		
	2007-09	2009-11	Difference	2007-09	2009-11	Difference
OSPI & Statewide Programs	75,152	67,767	-7,385	158,243	158,984	741
General Apportionment	9,298,149	10,186,760	888,611	9,298,149	10,186,760	888,611
Pupil Transportation	589,908	614,427	24,519	589,908	614,427	24,519
School Food Services	6,318	6,318	0	431,728	433,318	1,590
Special Education	1,138,342	1,294,103	155,761	1,577,194	1,950,155	372,961
Educational Service Districts	16,049	16,789	740	16,049	16,789	740
Levy Equalization	428,069	252,918	-175,151	428,069	429,202	1,133
Elementary/Secondary School Improv	0	0	0	43,450	43,450	0
Institutional Education	40,769	36,935	-3,834	40,769	36,935	-3,834
Ed of Highly Capable Students	17,159	18,867	1,708	17,159	18,867	1,708
Student Achievement Program	498,279	104,101	-394,178	860,279	304,396	-555,883
Education Reform	268,825	292,805	23,980	428,285	446,393	18,108
Transitional Bilingual Instruction	134,519	158,931	24,412	179,762	204,194	24,432
Learning Assistance Program (LAP)	200,602	251,284	50,682	561,262	795,209	233,947
Promoting Academic Success	16,867	0	-16,867	16,867	0	-16,867
Compensation Adjustments	568,758	9,957	-558,801	569,034	9,963	-559,071
Total Public Schools	**13,297,765**	**13,311,962**	**14,197**	**15,216,207**	**15,649,042**	**432,835**

Washington State Omnibus Operating Budget

2007-09 Budget vs. 2009-11 Budget

EDUCATION

(Dollars in Thousands)

	Near General Fund-State			Total All Funds		
	2007-09	2009-11	Difference	2007-09	2009-11	Difference
Higher Education Coordinating Board	471,913	534,919	63,006	514,946	582,489	67,543
University of Washington	775,634	621,090	-154,544	4,060,644	4,278,377	217,733
Washington State University	492,354	409,437	-82,917	1,169,735	1,185,606	15,871
Eastern Washington University	114,188	91,568	-22,620	235,539	235,883	344
Central Washington University	113,515	86,940	-26,575	248,922	262,122	13,200
The Evergreen State College	62,445	48,827	-13,618	115,454	111,698	-3,756
Spokane Intercoll Rsch & Tech Inst	3,386	3,209	-177	4,795	5,487	692
Western Washington University	143,069	108,929	-34,140	325,489	336,544	11,055
Community/Technical College System	1,404,620	1,357,705	-46,915	2,464,837	2,493,520	28,683
Total Higher Education	**3,581,124**	**3,262,624**	**-318,500**	**9,140,361**	**9,491,726**	**351,365**
State School for the Blind	12,104	11,810	-294	13,665	13,738	73
Childhood Deafness & Hearing Loss	17,650	17,248	-402	17,966	17,774	-192
Workforce Trng & Educ Coord Board	3,455	3,143	-312	57,948	57,678	-270
Department of Early Learning	131,482	121,323	-10,159	333,754	366,182	32,428
Washington State Arts Commission	4,982	3,759	-1,223	6,684	6,736	52
Washington State Historical Society	7,254	5,228	-2,026	10,164	7,737	-2,427
East Wash State Historical Society	3,934	3,267	-667	7,021	6,355	-666
Total Other Education	**180,861**	**165,778**	**-15,083**	**447,202**	**476,200**	**28,998**
Total Education	**17,059,750**	**16,740,364**	**-319,386**	**24,803,770**	**25,616,968**	**813,198**

Washington State Omnibus Operating Budget

2007-09 Budget vs. 2009-11 Budget

SPECIAL APPROPRIATIONS

(Dollars in Thousands)

	Near General Fund-State			Total All Funds		
	2007-09	2009-11	Difference	2007-09	2009-11	Difference
Bond Retirement and Interest	1,569,575	1,813,244	243,669	1,757,874	1,997,338	239,464
Special Approps to the Governor	181,916	123,992	-57,924	243,080	132,492	-110,588
Sundry Claims	283	0	-283	295	0	-295
State Employee Compensation Adjust	0	800	800	0	1,800	1,800
Contributions to Retirement Systems	117,122	130,230	13,108	117,122	130,230	13,108
Total Special Appropriations	**1,868,896**	**2,068,266**	**199,370**	**2,118,371**	**2,261,860**	**143,489**

Legislative

When compared to 2007-09 biennium funding levels, 2009-11 appropriations for legislative agencies are, on a net basis, approximately 7 percent less than the previous budget. To reach these appropriation levels, reductions and efficiency measures are expected to reduce maintenance level spending in each agency by approximately 8.8 percent.

Administrative reductions reflecting efficiencies and savings were made in appropriations to all legislative agencies. Examples of actions that may be taken by legislative agencies to meet these reductions include hiring freezes, employee furloughs, and reductions in employee travel and training, equipment purchases, other goods and services purchases, and personal service contracts.

Judicial

Reductions

Funding to judicial branch agencies has been reduced to reflect increased efficiencies, holding positions vacant, and scaling back some programs. The budget reductions were distributed in the following way:

Judicial Branch Agencies State General Fund Reductions

(Dollars in Thousands)

	2009-11 Maintenance Level	Agency Reduction *	Percent Reduction
Supreme Court	15,304	-1,224	8.0%
State Law Library	4,594	-730	15.9%
Court of Appeals	34,941	-2,795	8.0%
Judicial Conduct Commission	2,328	-186	8.0%
Administrative Office of the Courts	122,560	-9,804	8.0%
Office of Public Defense	54,142	-1,190	2.2%
Office of Civil Legal Aid	23,622	-520	2.2%

* Before transfers, enhancements, and compensation changes

Judicial Stabilization Trust Account

For the 2009-11 biennium, additional surcharges on some court fees were authorized, and funding from those increased fees will be deposited into the newly-created Judicial Stabilization Trust (JST) Account. Funding from the JST may only be used to support judicial branch agencies. The Administrative Office for the Courts (AOC), Office of Civil Legal Aid, and Office of Public Defense received funding from this account. These additional surcharges are estimated to raise $10.7 million in additional revenue.

Judicial Information System

One-time funding of $1.7 million is provided for the development of a comprehensive enterprise-level information technology strategy and detailed business and operational plans in support of that strategy. Additional one-time funding of $4 million is also provided to allow AOC to continue to modernize and integrate current systems and enhance case management functionality on an incremental basis.

Governmental Operations

Department of Commerce *(formerly the Department of Community, Trade, and Economic Development)*

Reductions

The operating budget makes several reductions to the Department, including a $1 million reduction for the Cleaner Energy Program (Chapter 348, Laws of 2007, Partial Veto – E2SHB 1303), a $1.2 million reduction in the Administrative Services Division, a $1.9 million reduction in Growth Management Act Technical Assistance, a $3.2 million reduction in Public Broadcast Grants, and a $3.6 million reduction in Offender Re-entry, a program that provides housing solutions for ex offenders re-entering communities. These were among the largest reductions, and the remaining reductions were generally under $1 million. The Washington State Film Office, the office that assists in marketing the state for feature film, television, and commercial production, was eliminated, creating a savings of $460,000 in General Fund-State.

Federal Stimulus (American Recovery and Reinvestment Act of 2009)

The operating budget also included federal stimulus money for the Department in several areas:

Stimulus funds include: $9.2 million for the Community Services Block Grant (CSBG) program; $2.4 million for the state's Emergency Food and Shelter programs; $11 million for Emergency Shelters in Homelessness Prevention; $1 million for Crime Victims Assistance programs; $2.9 million to combat Violence Against Women; and $22.4 million of Justice Assistance Grants (Byrne) to cover six different functions relating to law enforcement.

Energy-related federal stimulus funding includes:

- $10.5 million in federal stimulus funds is for training and technical assistance associated with Low-Income Weatherization. The Department will distribute up to $4 million to the State Board for Community and Technical Colleges to provide workforce training related to weatherization and energy efficiency; up to $3 million to the Bellingham Opportunity Council to provide workforce training related to energy efficiency and weatherization; and up to $3.5 million to community-based organizations and to community action agencies consistent with the provisions of Chapter 536, Laws of 2009, Partial Veto (E2SHB 2227). Any funding remaining will be expended consistent with the capital budget appropriation of $49 million for low-income weatherization.
- $15 million is for Washington State University for making grants for pilot projects providing community-wide urban, residential, commercial energy efficiency upgrades and farm energy assessments, consistent with Chapter 379, Laws of 2009, Partial Veto (E2SSB 5649).
- $38.5 million is for deposit in the Energy Recovery Act Account to capitalize the Energy Freedom Program, consistent with Chapter 451, Laws of 2009 (ESHB 2289). The funding is appropriated in Chapter 497, Laws of 2009, Partial Veto (ESHB 1216 – Capital Budget).
- $10.6 million is for energy efficiency block grants.
- $6.8 million is for the state energy program, including $5 million for the Department to provide credit enhancements consistent with Chapter 379, Laws of 2009, Partial Veto (E2SSB 5649).

Office of the Attorney General

The budget contains an agency generated efficiency savings that reduces the authority for the Office of the Attorney General's Legal Services Revolving Account by $15.9 million. This decrease includes reductions in the Office's administrative costs, as well as among client agencies by eliminating redundant requests for legal opinions and contract reviews.

Department of Information Systems

The Department's Data Processing Revolving Account-Non-Appropriated authority is reduced by over $16 million, which will be distributed over the three following areas: $3.9 million for equipment leasing savings; $9.6 million in equipment reductions; and $3 million in staff reductions. The Department also received a reduction of $1.9 million for the K-20 Network in the Education Technology Revolving Account-State.

Department of General Administration

The sum of $2.1 million from both the General Administration Services Account-Appropriated and the General Administration Services Account-Non-Appropriated is to provide state agency tenants with services and to offset the cost of providing other activities on campus that support the general public and have no other fund source. The Department also receives $9.2 million in increased expenditure authority for ongoing non-appropriated costs in the following programs: Motor Pool, Consolidated Mail Services, Office of State Procurement, Surplus Programs, and Materials Management Center. The non-appropriated adjustment for increases is related to volume level increases and other ongoing costs and is not reflective of new or expanded services or activities.

Federal Stimulus

The operating budget authorized the Department to receive $2 million in federal stimulus funds for the state's Emergency Food Assistance Program (TEFAP). TEFAP helps to supplement the diets of low-income needy persons, including elderly people, by providing them with emergency food and nutrition assistance.

Military Department

Disaster Response

The budget provides funding for recovery efforts from the 2007 and 2008 flooding and snow storms.

Washington Information Network (WIN 211)

The budget provides $1 million in state general funds and $1 million through the Department of Social and Health Services from the Washington Telephone Assistance Program Account for WIN 211, a private nonprofit organization that provides social service referral services.

Efficiencies and Savings

The agency will reduce its state general fund spending by $3.2 million by eliminating training of National Guard members as firefighters, closing up to seven facilities throughout the state as well as through various efficiencies such as reducing personal service contracts, holding positions vacant, reducing goods, services, and equipment purchases, and reducing travel.

Human Services

The Human Services section is separated into two sections: the Department of Social and Health Services (DSHS) and Other Human Services. The DSHS budget is displayed by program division in order to better describe the costs of particular services provided by the Department. The Other Human Services section displays budgets at the agency level and includes the Department of Corrections, Employment Security Department, Department of Veterans' Affairs, Department of Labor and Industries, Criminal Justice Training Commission, Health Care Authority, Department of Health, and other human services related agencies.

Department of Social & Health Services

Children and Family Services

A total of $2.9 million state general fund savings are achieved through expediting the adoptions of 600 legally free children from the foster care caseload.

The budget provides funding for the Behavioral Rehabilitative Services (BRS) program in a block grant at $133.7 million ($76.8 million state general fund). BRS services are provided to children in foster care with severe needs. The Department and BRS contractors are directed to manage the BRS program within these amounts provided and to reduce the amount of time youth stay in BRS.

The budget reduces funding by $12.6 million state general fund for certain administrative activities and by implementing a freeze on hiring, out-of-state travel, and personal service contracts. The reduction does not include Child Protective Services or Child Welfare Services direct service staff.

The budget reduces Family Preservation Services by approximately 15 percent, which saves $3 million state general fund. These savings are invested in intensive family preservation services, which are proven to prevent entry into the child welfare system and provide the state with future savings.

The budget reduces funding for all vendor rates. This saves $4.2 million state general fund and does not include Family Foster Home payments and Adoption Support payments.

The budget reduces a total of $8.4 million state general fund for Crisis Residential Centers, HOPE beds, and the Street Youth Program. The budget provides funding for these services with the Home Security Account, rather than the state general fund.

Juvenile Rehabilitation Administration

Savings of $12 million are assumed through the closure of a Juvenile Rehabilitation Administration (JRA) institution. The Office of Financial Management will conduct a study of the feasibility of closing either Maple Lane School or Green Hill School. A report is due to the Governor and the Legislature on November 1, 2009.

Funding for enhanced parole services for juveniles is reduced by $5.3 million. Approximately 30 percent of JRA youth receive enhanced parole. Parole services for sex offenders and the highest risk youth are not affected by this change.

Savings of $2.2 million is achieved through the closure of two contracted Community Facilities. JRA caseload continues to decline, and beds in these facilities are no longer required. These closures will reduce Community Facility space by 24 beds.

Funding provided to local jurisdictions through JRA for locally-operated treatment services is reduced by $1.9 million. Funds are used for a variety of treatment and therapy programs.

JRA will offer competitive grants to community-based organizations to provide at-risk youth intervention services with $3.7 million from the Washington Auto Theft Prevention Authority Account. Grantees must report to JRA on the number, type of youth, and services provided.

Mental Health

A total of $1.525 billion ($821 million state) is provided for operation of the public mental health system during the 2009-11 biennium. This is $69 million (4 percent) less than the estimated amount needed to maintain the current level of mental health services and activities. Major reductions include:

- Funding for the community mental health services delivered through Regional Support Networks (RSNs) is reduced by a total of $57.7 million, or about 5 percent. Of this total, the "state only" funding for people and services not eligible for the federal Medicaid program is reduced by a total of $23.2 million, or about 9 percent. Additionally, the Department is to identify and implement efficiencies and benefit changes that will reduce expenditures on community Medicaid mental health services by a total of $24.5 million, or about 3.5 percent.
- Staffing in the state psychiatric hospitals is reduced by approximately 40 FTEs (1.4 percent), by partially rescinding various enhancements authorized in the 2007-09 biennium. Additionally, in culmination of a three-year community investment strategy initiated in 2006, the number of civil commitment beds at Eastern and Western State Hospitals is to have been reduced by 120 (13 percent) during the year ending September 2009, for a state savings of $29.0 million in the 2009-11 budget base.
- State funding that has been used to demonstrate and test new approaches to mental health service delivery is discontinued, for a savings of $4.0 million. During the 2007-09 biennium, such funding supported eight different projects. These included grants for 4 of the 22 consumer-run "clubhouses" that provide work-ordered days and other support services for persons recovering from mental illness; two projects that provided consumer-focused services to minority populations; one project that supported integration of mental health and primary care services; and one program that, since 1998, has provided intensive services for mentally ill offenders following their release from jail or prison.
- Funding for six children's "evidence-based practice" pilot projects is reduced to more accurately reflect actual service levels, for a savings of $1.9 million. These programs currently serve 148 high intensity children (unduplicated) per year. The reduction allows services to continue to the same number of children served by these programs in fiscal year 2009.

Aging and Disabilities Services (Long-Term Care and Developmental Disabilities)

The Aging and Disability Services Administration administers the Long-Term Care (LTC) and Division of Developmental Disabilities (DDD) programs. These two programs combined account for approximately $2.1 billion in General Fund-State expenditures for the 2009-11 biennium.

The DDD and LTC programs share administration, operate several similar programs, and often utilize the same set of vendors. As a result, numerous budget items impact both programs. These "shared" budget items are described below. Budget items unique to each program are described separately.

Increased costs for health insurance benefits for individual and agency providers are funded, assuming 3 percent per year inflation. This increases the maximum state contribution from $585 per member per month (pmpm) to $602 pmpm in fiscal year 2010 and $620 pmpm in fiscal year 2011. The total value of the additional funding for inflation increases is $4.4 million General Fund-State ($10.4 million all funds).

Initiative 1029 required additional long-term care worker background checks, training, and certification requirements. Chapter 580, Laws of 2009 (ESSB 6180), delays several components of the initiative and Chapter 478, Laws of 2009 (HB 2359), delays peer mentorship providing a cost avoidance in the 2009-11 biennium of $16.2 million General Fund-State ($29.8 million all funds). A net enhancement remains in the 2009-11 biennium of $5.2 million General Fund-State ($11.0 million all funds) for the following:

- Mandatory 75 hours of basic training is delayed one year to begin January 1, 2011. Funding is provided for:
  - Training infrastructure development (information technology, policies, procedures, rules, curriculum, and a curriculum approval process);
  - Tuition for long-term care workers to include in-home care workers, adult family home workers, boarding home workers, and developmental disability residential workers; and
  - Wages for long-term care workers while they are in training.
- Mandatory certification is delayed by one year to begin January 1, 2011. Funding is provided for:
  - Development of a Home Care Aide certification program (information technology, policies, procedures, and rules); and
  - Implementation of examinations and disciplinary procedures.

Certain long-term care workers receive their training from a specified training partnership. Pursuant to RCW 74.39A.360, the state makes contributions to fund the training. The budget funds the training partnership contribution and related agency parity at $8.2 million General Fund-State ($14.3 million all funds).

Savings of $12.1 million General Fund-State ($30.2 million all funds) are realized from the implementation of Chapter 571, Laws of 2009 (SHB 2361). Home care agencies will no longer be reimbursed under the Medicaid in-home personal care program for services provided by providers who are family members of their client, unless the family provider is older than the client receiving services. Currently, home care agencies are compensated an additional $5 per hour for activities associated with supervision such as hiring, firing, scheduling, and reviewing and approving hours. Agency providers who are family members may continue to care for their client and be compensated for their time by becoming an individual provider. Beginning July 1, 2010, home care agencies will no longer be reimbursed under the Medicaid in-home personal care program for any agency employee whose hours have not been verified by electronic time keeping.

Daily Medicaid rates for boarding homes and adult family homes are reduced from current levels resulting in $11.1 million General Fund-State ($27.6 million all funds) in savings. The reduction is an approximate 4 percent reduction from maintenance levels and is applied to vendor base rates. Exceptional care rate add-ons for HIV/AIDS, dementia, and enhanced community services remain unchanged from fiscal year 2009 levels.

Savings of $19.3 million General Fund-State ($36.7 million all funds) are realized by funding adult day health (ADH) services only for clients receiving in-home care and by eliminating funding for transportation. Funding for ADH services provided by the Bailey Boushay House is preserved.

The personal care benefit provided to Medicaid clients is reduced by an average of 3.5 percent. Reductions are scaled according to client acuity with the largest hour reductions based on services for clients with the least care needs. The smallest reduction in hours is based on the clients with the highest acuity levels. The Department is provided with the flexibility to adjust the reduction to ensure sufficient care is maintained for all clients. The total savings associated with this item is $32.7 million General Fund-State ($80.9 million all funds).

Developmental Disabilities

Funding of $4.8 million General Fund-State ($11.5 million all funds) is provided for: 1) new clients using Medicaid community-based waivers who need residential, behavior, and/or habilitative support in addition to personal care to remain in the community instead of institutions; and 2) residential and support services for 32 new clients with developmental disabilities and community protection issues.

The sum of $10.7 million General Fund-State ($26.4 million all funds) is provided to fund over 2,500 waiver placements in DDD for clients currently receiving supported employment and day services. These clients currently receive services funded solely with state dollars; however, a majority are eligible for Medicaid waiver

services funded partially with state dollars and partially with federal dollars. The budget assumes savings by transitioning eligible clients to Medicaid waivers to capture allowable federal funding. This item also preserves a smaller state-only program for those individuals unable to meet waiver eligibility standards.

Savings of $7.3 million General Fund-State ($18.0 million all funds) are realized by reducing the daily Medicaid rate paid to supported living and group home vendors. The reduction is applied to the full rate and totals approximately 3 percent from current levels.

Long Term Care

The LTC budget includes $3.9 million General Fund-State ($9.8 million all funds) for community residential and support services for persons who are older adults or who have co-occurring functional and behavioral impairments and who have been discharged or diverted from a state psychiatric hospital.

Savings of $37.7 million General Fund-State ($93.8 million all funds) are realized by reducing the 2009-11 statewide weighted average daily Medicaid rate for nursing homes. The funded rates assume continued funding of the low-wage worker add-on; however, no certificates of capital authorization are funded for either year. The fiscal year 2010 rate ($156.37) is a 4.6 percent reduction from the current year and the fiscal year 2011 rate ($158.74) is a 3.0 percent reduction from the current year.

Economic Services Administration

The budget assumes $99.1 million in federal Temporary Assistance for Needy Families (TANF) contingency funds to provide services and assistance for low-income families. A portion of the contingency funds are provided through the American Recovery and Reinvestment Act of 2009, the federal stimulus act.

Funding for the General Assistance-Unemployable (GA-U) program is reduced by $18.6 million state general fund. Savings are assumed by assisting legal aliens in gaining citizenship to meet eligibility requirements for Supplemental Security Income; identifying eligible veterans for transfer to the Department of Veterans' Administration services; and referring GA-U clients into drug and alcohol treatment if addiction is a co-occurring condition. The savings also assume a policy change in how earned income is calculated.

The WorkFirst program is reduced by $68.7 million state general fund through reductions in funding to state agencies participating in WorkFirst, administrative reductions, and caseload management savings.

The budget reduces funding by $27.6 million state general fund for administrative activities, hiring, out-of-state travel, personal service contracts, and equipment purchases.

Alcohol and Substance Abuse

The Division of Alcohol and Substance Abuse (DASA) within the Department of Social and Health Services (DSHS) coordinates state efforts to reduce the impacts of substance abuse and problem gambling on individuals and their communities. DASA contracts with counties and community organizations to provide prevention, treatment, and other support services for individuals with problems related to alcohol, tobacco, drugs, and gambling. Six DASA Regional Administrators work with county coordinators and County Substance Abuse Administrative Boards to plan services and monitor contracts. DASA also manages government-to-government contracts with 29 tribes for prevention and treatment services for Native Americans.

The budget maintains funding for detoxification, treatment, and support programs, as well as recent treatment expansion programs aimed at Medicaid-eligible adults and youth. The budget also maintains funding for cash stipends and medical coverage provided under the Alcohol and Drug Addiction Treatment and Support Act, and it directs federal Byrne Grant funding towards chemical dependency treatment through the drug courts.

Savings are achieved ($7.4 million General Fund-State, $12.4 million all funds) by reducing funding for contracts to provide low-income treatment and detoxification services. Treatment programs are provided in both residential and outpatient settings and can vary in length.

Medical Assistance Administration

A total of $8.8 billion in state and federal funds is provided for an average of 1,039,000 low-income children and adults per month to receive medical and dental care through Medicaid and other DSHS medical assistance programs during the 2009-11 biennium. Total expenditures on these services are budgeted to increase by $378 million (4.5 percent) from the 2007-09 biennium, and the state share of those expenditures is projected to decrease by $501 million (12.3 percent).

Total expenditures include $690 million in temporary federal funding under the American Recovery and Reinvestment Act of 2009, which increases the Federal Medical Assistance Percentage by almost 13 percentage points, on average, from July 2009 through December 2010. Additional federal revenue of $54 million is provided on an ongoing basis through provisions in the Children's Health Insurance Program Reauthorization Act of 2009, which increased the state's ability to claim enhanced federal matching funds for Medicaid-eligible children between 133 and 200 percent of the federal poverty level.

Excluding the impact of additional federal revenue, the total policy or program reductions for the 2009-11 biennium are $737 million in total funds and $405 million in state funds. These policy reductions, combined with a maintenance level increase of over $1 billion in total funds and $640 million in state funds, result in a net increase of $334 million in total funds and $235 million in state funds over the 2007-09 biennium. The major reductions are summarized below.

Approximately $46 million in total savings on medical benefits are expected from a transition of GA-U clients from fee-for-service reimbursement to managed care and initiatives within the Economic Services Administration to reduce the caseload.

The budget assumes savings of approximately $414 million in total funds through reductions in provider rates. Reductions in total state and federal funds are made in the following areas:

- Inpatient and outpatient rates are reduced by approximately $150.6 million;
- Disproportionate Share Hospital and Graduate Medical Education payments are reduced by $61.9 million;
- Premium payments to managed care organizations are reduced by roughly $76.8 million;
- The 48 percent rate increase provided for pediatric office visits in the 2007 legislative session is reduced to a 15 percent increase for a savings of $42.7 million;
- Healthy Options enhanced payments to Federally Qualified Health Centers and Rural Health Centers are reduced by an estimated $62.4 million in response to a federal audit; and
- Rate reductions to other services including adult office visits, transportation, laboratory and x-ray services, and hospice result in an additional $19.7 million in savings.

The budget assumes a savings of $183.4 million in total funds will be achieved through a comprehensive package of pharmacy cost containment and efficiency-promoting initiatives. These initiatives include the use of a 90-day supply for low-risk pharmaceutical refills, reducing coverage of some over-the-counter drugs, and increasing the generic prescription drug utilization rate by 20 percentage points.

The budget includes $82.2 million in total state and federal savings through a combination of strategies to reduce utilization in optional services and incentivize the most cost-effective use of such services. For example, Maternity Support Services are reduced in order to target high-risk pregnancies, reimbursement rates are reduced

and limits are placed on Durable Medical Equipment supplies, and the Department is directed to reduce dental expenditures by targeting services that received rate increases in the 2007-09 biennium or are showing increased utilization.

Administration and Supporting Services

The Administration and Supporting Services program houses the DSHS executive management staff, provides Department-wide leadership and administrative support to all DSHS administrations, and provides administrative and budgeting support to three autonomous entities – the Council for Children and Families (CCF), the Family Policy Council (FPC), and the Governor's Juvenile Justice Advisory Committee (GJJAC).

The 2009-11 budget appropriates $69.4 million General Fund-State ($126.3 million total funds) for the Administration and Supporting Services program. This is a 15 percent decrease in state funded support from the 2007-09 biennium. The majority of the savings are assumed to result from administrative consolidations and efficiencies within the Administration and Supporting Services program. Reductions were also taken in CCF, FPC, and GJJAC. In total, support for these three entities and their programs was reduced by $5.7 million in Near General Fund-State funds. The percentage reduction varied by entity with the CCF reduction totaling approximately 30 percent of its prior level; FPC is reduced by 50 percent; and GJJAC state funding is reduced by 20 percent.

Special Commitment Center

A total of $107.1 million state general fund is provided for the operation of the Special Commitment Center (SCC) for the 2009-11 biennium.

Funding for contracted education and nursing services at the SCC is reduced by $1.8 million state general fund. Additionally, funding is reduced due to a decrease in the number of residential rehabilitation counselors assigned to lower acuity housing, which saves $3.2 million state general fund.

Other Human Services

Department of Corrections

A total of $1.8 billion is provided for the Department of Corrections (DOC) to incarcerate and supervise offenders in the 2009-11 biennium. This represents an increase of $12.5 million (0.7 percent) in corrections spending from the 2007-09 biennium, and savings of $134.3 million (7.0 percent) from the 2009-11 maintenance level. The savings are primarily related to policy changes that reduce the offender populations in prisons and community supervision. The major policy changes include:

- $47.8 million in savings from changes to the supervision of offenders. Chapter 375, Laws of 2009, Partial Veto (ESSB 5288), removes the requirement that DOC supervise certain felony offenders whose risk assessment places them in a category of low or moderate risk; eliminates supervision of certain misdemeanant offenders; and replaces the community custody ranges with fixed terms of 36 months for serious violent offenders and sex offenders, 18 months for violent offenders, and 12 months for other offenders.
- $11.2 million in assumed savings by offering home detention instead of jail as an alternative sanction for community custody violators. The savings are based on the assumption that 25 percent of violators in jails would be sanctioned to home detention instead of jail. The budget assumes reduced demand for 331 jail beds for violators.
- $11.1 million in savings from the expansion of the Drug Offender Sentencing Alternative (DOSA) program. The budget assumes reduced demand for 386 prison beds in fiscal year 2010 and 507 beds in fiscal year 2011 is achieved by expansion of the DOSA program.
- $8.3 million in savings from the Offender Re-entry Program. In the 2007-09 biennium, the Legislature provided an additional investment of $30.5 million for programs that prepare adult offenders for re-entry. The budget reduced total funding but maintains funding for the investments in evidence-based programs that target education, chemical dependency treatment, and mental health treatment.
- $3.3 million in savings related to Chapter 431, Laws of 2009 (SB 6167), which increases the dollar threshold values for property crimes. The budget assumes reduced demand for 385 prison beds is achieved from the property threshold changes.
- $4.1 million net savings from implementation of Chapter 455, Laws of 2009, Partial Veto (SB 5525), which provides for housing vouchers or partial confinement for offenders that are held in prison beyond their earned release date due to the lack of an approved release plan. The budget assumes reduced demand for 278 prison beds.
- $1.9 million in savings from the implementation of Chapter 441, Laws of 2009 (EHB 2194), related to the expansion of the offender medical placement program. The budget assumes reduced demand for 44 prison beds. Savings from no longer serving these individuals in DOC are used to pay for long-term care placements and medical services in the community.
- $8.3 million in savings from the early deportation of all eligible non-citizen drug and property offenders, consistent with Substitute House Bill 2188 and Engrossed Senate Bill 6183 (Early Deportation of Offenders). The budget assumes reduced demand for 362 prison beds. *These bills did not pass in the 2009 regular session.*
- $375,000 in savings from changes to the sentence grid consistent with Substitute Senate Bill 6160 (Sentence Discretion). The budget assumes reduced demand for 134 prison beds. *This bill did not pass in the 2009 regular session.*

The Office of Financial Management will conduct a study of the feasibility of closing DOC institutions/facilities, Juvenile Rehabilitation Administration institutions, and residential habilitation centers operated by DSHS. With the declining prison population as a result of sentencing legislation, DOC is assumed to be able to close a major institution, minor institutions, or housing units. The study assumes closures to result in the elimination of 1,580 prison beds. The budget for DOC assumes savings in the 2009-11 biennium of $12 million from facility closures. The report is due to the Governor and the Legislature on November 1, 2009.

Department of Employment Security

The budget suspends the development of the Family Leave Insurance program computer system as a result of the program's suspension. This saves the state $6 million over the next two years.

The budget makes available $32 million in federal unemployment monies to replace the existing insurance tax information system with modern tax administration technology.

Department of Veterans' Affairs

The Washington Department of Veterans' Affairs (DVA) operates three homes that provide long-term health care for honorably discharged veterans – and in some instances, their spouses – who are disabled and indigent, or likely to become indigent due to the cost of their health care. The homes are: the Washington Veterans' Home at Retsil, the Washington Soldiers' Home and Colony at Orting, and the Spokane Veterans' Home. In addition, the agency manages several state and federal programs providing support and services to service men and women. The 2009-11 budget provides $20.1 million General Fund-State ($110.2 million all funds) for DVA operations.

Several budget items reduce state funding for DVA programs, but, with the exception of reductions in administrative operations, the reductions are a funding shift between state and federal resources. Additional funding is provided for several items:

- $261,000 General Fund-State ($642,000 all funds) is provided to support the Eastern Washington Veterans' Cemetery. The Cemetery will open Memorial Day 2010.
- $500,000 General Fund-State is provided in one-time support of the Veterans Innovations Program.

The amount of $200,000 General Fund-State is provided in one-time support of the replacement of the phone system at the Washington Soldiers' Home and Colony at Orting.

Department of Labor and Industries

The budget provides $10.9 million for an early workers' compensation claims computer system and services intended to reduce claim processing time from the date of an occupational injury to the workers' receipt of their first time-loss check by 15 percent.

Health Care Authority

The budget reduces Basic Health Plan program expenditures by $255.2 million or 43 percent for the 2009-11 biennium. The Health Care Authority will streamline administrative procedures and adjust benefit design and cost sharing in order to maximize enrollment within the funding provided. Enrollment is reduced to approximately 65,000 people by January 1, 2010, and for the remainder of the biennium. Reductions in enrollment levels will be carried out in accordance with the disenrollment criteria developed pursuant to Chapter 568, Laws of 2009 (SHB 2341).

A savings of $11.8 million in state funds is achieved through the discontinuation of funding for the Health Insurance Partnership (HIP). HIP was created during the 2007 legislative session as a public-private partnership

to promote small employers' participation in funding health care for their employees, including the provision of state subsidies. In accordance with Chapter 257, Laws of 2009 (SHB 2052), enrollment in HIP is delayed until no earlier than January 2011 contingent upon sufficient state or federal funding for the program.

Department of Health

A savings of $55.3 million in state funds is achieved through changes to the state's immunization program. State funding for universal coverage of the human papillomavirus (HPV) vaccine is discontinued effective July 1, 2009. State funding to support the universal purchase program for all other vaccines is discontinued as of May 1, 2010, or earlier if state funds are exhausted before this date. At this time, the vaccine program will transfer to Vaccines for Children (VFC) + Underinsured status that allows federal funds to cover low-income children in Medicaid and other state-funded health care programs. The Department of Health will use existing 317 Direct Assistance (DA) funds as well as those that may become available pursuant to the American Recovery and Reinvestment Act of 2009 to provide continued coverage of those low-income children who do not qualify for the VFC program.

A savings of $4.0 million in state funds is achieved through a reduction to the local public health enhancement funding provided in the 2007 legislative session. Tobacco Prevention and Control Account funds are used on a one-time basis to fund the remaining $16 million of this public health enhancement. In order to fund this enhancement, tobacco prevention public awareness campaigns, such as television and radio advertisements, are suspended for the 2009-11 biennium. An additional one-time savings of $6 million is achieved by reducing tobacco prevention expenditure authority to the level of actual spending in fiscal year 2008.

Natural Resources

Environmental Protection

Toxic Cleanup

Approximately $7.4 million in state funds are provided for toxic abatement and cleanup by the Department of Ecology (DOE) including $4.5 million for cleanup at sites that will be paid for by potentially liable parties and for pre-paid remediation technical assistance and oversight work of cleanup in collaboration with the City and Port of Tacoma and several oil companies. In addition, $1.9 million is provided for costs associated with cleanup at the U.S. Department of Energy's Hanford Site.

Standby Emergency Response Tug

A total of $3.6 million in state funds is provided in fiscal year 2010 for a standby rescue tug stationed at Neah Bay to reduce the risk of a destructive oil spill. Beginning in fiscal year 2011, a permanent, industry-funded tug will be provided as a result of Chapter 11, Laws of 2009 (ESSB 5344), which was signed into law by the Governor on March 24, 2009.

Climate Change

A total of $1.3 million in state funds is provided for climate change initiatives. The sum of $696,000 will be used for ongoing support of the emissions report program enacted in 2008, pursuant to Chapter 519, Laws of 2009, Partial Veto (E2SSB 5560); and $612,000 from the state general fund will support development of a comprehensive and coordinated climate change adaptation strategy and establishment of state agency climate leadership goals.

Savings

A total of $6.0 million in savings is achieved in DOE by: reducing spending by $2.0 million for public participation grants that support public involvement in monitoring the cleanup of contaminated sites and pollution prevention through waste reduction and elimination; and an additional $4.0 million in state funds are transferred from the Waste Reduction and Recycling Account to the state general fund by reducing litter pick-up activities throughout the state.

Water Resources and Watershed Protection

Puget Sound Shorelines

Pursuant to a negotiated legal settlement in 2003, $3.6 million in one-time funding is provided to DOE to support the update of local shoreline master programs for the protection of shoreline habitat and water quality that affect Puget Sound health.

Water Discharge Fees

Pursuant to Chapter 249, Laws of 2009 (SHB 1413), DOE is authorized to increase, by three cents per month, the annual fee charged to municipalities for domestic wastewater facility permits and to raise all other permit fees by the fiscal growth factor during the 2009-11 biennium. Revenue is anticipated to be approximately $3.2 million per biennium and will allow the Department to recover the costs of administering the National Pollution Discharge Elimination System as required by the federal Clean Water Act.

Water Adjudication and Management

A total of $878,000 from the state general fund is provided to DOE in order to begin the adjudication process of water rights in the Spokane area and for the ongoing management of groundwater exempt wells in Kittitas County.

Savings

Approximately $9.7 million in state general fund savings are achieved by reducing grants and technical assistance to local groups for watershed planning. DOE will prioritize the allocation of remaining funds to assist groups that are ready to implement their watershed plans. Additional savings are achieved by removing funding for a watershed data pilot project, a water adjudication feasibility study, and water resource-related data collection. A one-time reduction in funding for water rights processing will also produce savings and the remaining resources will be concentrated in watershed basins where the greatest impact can be realized.

State Parks

Continued Operation and Maintenance of State Parks

Chapter 512, Laws of 2009 (SHB 2339), facilitates a voluntary five dollar donation at the time of vehicle registration initial applications or renewals. Revenue from this program is estimated to be $26.0 million for the 2009-11 biennium, which will allow state parks to remain open and will produce an additional $1.7 million investment to address ongoing maintenance needs such as camp site improvements; dock and boat launch maintenance; fencing, signage, and trail improvements. Funds collected from this source will be used solely for the operation and maintenance of state parks.

Savings

Approximately $5.5 million in state general fund savings are achieved by closing one regional office, decreasing the subsidy of concession revenue, reducing funding for equipment replacement and maintenance, and the reduction of electricity usage and other expenditures associated with the seasonal closure of parks to be determined by the Commission.

Land and Species Management

Fish and Wildlife Management

Approximately $10.0 million in new revenue to support the Washington Department of Fish and Wildlife (WDFW) is anticipated via Chapter 333, Laws of 2009, Partial Veto (SHB 1778), from various changes made to hunting and fishing regulations, including allowing recreational anglers to purchase a stamp for fishing with two poles and a 10 percent transaction fee increase for the 2009-11 biennium on all recreational licenses, permits, tags, stamps, or raffles.

This new revenue will backfill an anticipated shortfall in the State Wildlife Account. In addition, approximately $1.2 million in state funds are provided to: enhance recreational shellfish opportunities; provide enhancements to permanent and temporary pheasant habitat in Grant, Franklin, and Adams Counties; and disseminate information about grizzly bears in the North Cascades.

Hatcheries

WDFW is authorized to dispose of the following hatcheries, within the constraints of legally binding tribal agreements if sufficient new revenues are not identified to continue operations: McKernan, Colville, Omak, Bellingham, Arlington, and Mossyrock. Any proceeds from sales, leases, reversion, or transfer of ownership will be deposited in the State Wildlife Account.

The sum of $294,000 in state funds are appropriated to WDFW to implement the Hatchery Scientific Review Group's (HSRG's) priority recommendations to improve the protection of wild salmon through modifications to hatchery programs, including the collection of wild fish stocks and the development of recovery indicators for salmon and steelhead populations.

Additionally, prior to developing 2011-13 biennial operating and capital budget requests, WDFW is directed to contract with HSRG to review them.

Land Management

A total of $1.1 million in state funds are provided to the Department of Natural Resources (DNR) to expand silvicultural activities on state lands. This funding equalizes the harvest rate on agricultural lands with other school trusts and produces additional revenue for the school trusts. In addition, $487,000 is provided to the Department of Agriculture (Ag) to eradicate spartina, an invasive aquatic weed, in Willapa Bay.

Savings

A total of $22.7 million in state general fund savings are achieved through a variety of reductions as follows:

- $10.2 million is saved by reducing DNR's forest practices technical assistance, Geology program staffing and studies, forest health implementation, access to natural resources areas and a reduction of funding provided to local governments via Ag to combat invasive weeds.
- $6.7 million is saved in WDFW by reducing hunter and other outreach and educational programs, by reducing the collection of harvest and non-harvest related data, and by reducing the number of enforcement officers.
- $3.7 million is decreased due to efficiencies anticipated in the DNR's preparedness and emergency fire suppression activities and by reducing the Department's Correctional Camps program.
- $2.1 million is decreased in WDFW by reducing technical assistance, including policy development and negotiation, to improve opportunities for fish, wildlife, and habitat protection.

General Reductions and Efficiencies

Approximately $28.3 million in additional state general fund savings are achieved by general administrative reductions and efficiencies, including:

- Reducing funding for the Business Services Division at WDFW ($3.8 million);
- Reducing the state general fund subsidization of fee-based programs in Ag ($1.2 million);
- Reducing communication funding for the Puget Sound Partnership (PSP) ($500,000);
- Transferring the Puget Sound Monitoring Consortium from DOE to PSP ($400,000); and
- Reduced funding for Resource Conservation Districts and for lead entities involved in salmon recovery ($340,000).

Transportation

The majority of the funding for transportation services is included in the transportation budget, not the omnibus appropriations act. For additional information on funding for these agencies and other transportation funding, see the Transportation section of the Legislative Budget Notes. The omnibus appropriations act only includes a portion of the total funding for the Washington State Patrol (WSP) and the Department of Licensing.

Washington State Patrol

Firefighting

A total of $8 million state general fund is provided to WSP for costs related to fighting wildfires. In previous biennia, this funding was allocated to WSP through the fire contingency pool.

Efficiencies and Savings

The budget reduces the general fund appropriation by $7.6 million. The savings are achieved through reductions in agency administration, license fraud enforcement, criminal records processing, the Narcotics Unit, and local fire prevention funding.

Justice Assistance Grant

An additional $1.96 million in federal funding is provided to WSP due to increased Justice Assistance Grant (JAG) funding as part of the American Recovery and Reinvestment Act of 2009, the federal stimulus act. The JAG funds are managed by the Department of Commerce.

Department of Licensing

Fee Increases

The Department will be increasing fees for several professions in order to maintain self support for the regulation of these industries. Fees will be increased for licensing and regulation of the following businesses and professions: cemeteries, funeral directors, and real estate appraisers.

New Professional Regulation

The budget increases expenditure authority for several pieces of legislation that established new regulations or expanded existing regulation for businesses and professions, including tattoo and body piercing, architects, and landscape architects.

Firearms Data Entry

Funding is provided for additional staff to improve the turnaround time necessary to enter firearms registration data into the database used by WSP and local law enforcement agencies.

Public Schools

Summary Statistics on Total and Percentage Changes in the K-12 Budget

	2007-09 Biennium through the 2009 Supplemental Budget	2009-11 Biennium	Difference	Percent Change
NGF-S*	$13,297,765,000	$13,311,962,000	$14,197,000	0.1%
NGF-S Per Pupil Funding	$6,798	$6,737	-$61	-0.9%
NGF-S plus Federal Stimulus**	$13,659,762,000	$14,099,106,000	$439,344,000	3.2%
NGF-S + Fed. Stimulus, Per Pupil Funding	$6,983	$7,136	$153	2.2%

** Near-General Fund-State: General Fund, Student Achievement Fund, Education Legacy Trust Account, Pension Funding Stabilization Account.*

*** Budgeted federal stimulus funding provided under the American Recovery and Reinvestment Act of 2009 including fiscal stabilization, Individuals with Disabilities Education Act (IDEA), Title I, Title I School Improvement, Education Technology, and Food Equipment funding.*

Maintenance Level Changes

Enrollment, Workload and Inflation

State funds in the amount of $325 million are provided for student enrollment increases, inflation of non-employee related costs, and other workload adjustments. During the 2009-11 biennium, the number of full-time equivalent (FTE) students is expected to increase by about 8,500 students, or just less than 1 percent.

Pension Rate Changes

Increases in employer contribution rates for employee pensions total $158 million in state near-general fund costs at the maintenance level. However, changes are made at the policy level to actuarial assumptions and the method used for many of the Washington State retirement systems that result in offsetting savings of $339 million for public schools. The net reduction is $181 million in state funds.

Initiative 732 Cost-of-Living Increases

Initiative 732, approved by voters in 2000, provides an annual cost-of-living increase for school employees based on the Seattle Consumer Price Index for the prior calendar year. These cost-of-living increases are estimated at 4.2 percent for the 2009-10 school year and 0 percent for the 2010-11 school year. The annual cost-of-living requirement, which would have totaled $369 million for public school employees, is suspended for the 2009-11 biennium and the associated costs are reduced at policy level.

Policy Level Changes

State funds reductions totaling $1.8 billion are included in the 2009-11 biennial budget. Budgeted federal stimulus funds, provided under the American Recovery and Reinvestment Act (ARRA) of 2009, added $787 million in 2009-11 – $376 million in general fiscal stabilization and $411 million in dedicated program funds. In addition, $362 million in general fiscal stabilization funds were made available in state fiscal year 2009. Over three fiscal years, one-time federal stimulus funds total $1.1 billion for K-12 public schools. The following table displays ARRA funds for each fiscal year.

	Dollars in Thousands			
	FY 2009	FY 2010	FY 2011	Total
Federal Fiscal Stabilization	362,000	376,579	0	738,579
Title I	0	51,970	77,955	129,925
Title I School Improvement	0	19,592	29,389	48,981
IDEA	0	88,543	132,814	221,357
Education Technology	0	3,311	4,967	8,278
Food Equipment	0	1,588	0	1,588
Ed Technology for State Basic Ed Data System	0	174	261	435
Total Budgeted ARRA Funds	**362,000**	**541,757**	**245,386**	**1,149,143**

Major Reductions in the 2009-11 K-12 Operating Budget Include:

Reduce Levy Equalization

Levy equalization payments are reduced by $236.6 million in state funds, offset by the addition of $176.3 million in federal fiscal stabilization funds, for a net reduction of $60.3 million. The net budget reduction in levy equalization payments of approximately 16 percent for calendar years 2010 and 2011 is dependent on enactment of Engrossed Substitute House Bill (ESHB) 1776, or similar legislation. ESHB 1776 was not passed by the Legislature in the 2009 Regular legislative session.

Reduce Student Achievement Program

Student Achievement Fund payments are reduced by $800.3 million in state funds, offset by the addition of $200.3 million in federal fiscal stabilization funds, for a net reduction of $600.0 million. Net funding levels reflect per-student allocations of $131 per student in the 2009-10 school year and $99 per student in the 2010-11 school year. This represents a 71.4 percent reduction and a 78.6 percent reduction in the two school years, respectively. Funding levels also include a one-time expenditure of $8 million in deferred Student Achievement Program payments from the 2009 supplemental budget.

Professional Development Changes

Funding for professional development in the areas of math and science is discontinued. This funding supported additional learning improvement days for middle and high school math and science teachers to receive professional development on new math and science curriculum standards and best practices. Sufficient funds are left to cover the remaining costs for the last two months of the 2008-09 school year (July and August), which fall in fiscal year 2010. In addition, funding is eliminated for after-school math programs and paraprofessional employee development. Superintendent and principal internship funding is decreased by 25 percent and funding for math and science instructional coaches is decreased by 50 percent. Together, reductions to professional development programs total $45 million.

Remove Learning Improvement Day

Funding is discontinued for one learning improvement day, allocated through the general apportionment formulae, reducing $36 million in state funds.

Education Reform Reductions

A number of education reform programs are decreased or eliminated, resulting in state fund reductions of $36 million. Examples of programs that are eliminated include the school librarian allocation, Summer Accountability Institutes, the English Language Learner project, Math Helping Corps, and a math initiative. Examples of programs that are reduced include the recent expansion of the Leadership and Assistance Science Education Reform program, focused assistance to schools, and the Leadership Academy.

WASL Changes

Funding for the assessment system is reduced by $8.5 million to reflect projected savings from implementing recommendations from the legislative Washington Assessment of Student Learning (WASL) work group. Budget amounts assume revisions will be made to reduce the number of open-ended questions and extended responses, as well as further examination and probable adjustment of alternative assessments and the appeals process. Based on

the provisions of Chapter 556, Laws of 2009, (ESSB 5889), collections of evidence will be limited to only the content areas in which a student has to pass the high school WASL to graduate (reading and writing).

National Board for Professional Teaching Standards Program Changes
The inflationary increase for the National Board bonus program is temporarily suspended for school years 2009-10 and 2010-11. The program continues throughout the 2009-11 biennium with bonus amounts paid at the same level as provided in school year 2008-09. Suspending inflationary increases translates to an expenditure reduction of $4.6 million. State funds in the amount of $3.0 million – to be supplemented by federal and private funds – will be available for conditional payments of $2,000 per teacher to support staff in managing the costs of application for certification. The pre-payments will be limited to certificated instructional staff who have met the eligibility requirements and have applied for certification from the Board, within the funds available for this purpose. If the certification is not earned within three years, the teacher will reimburse the state for the conditional funding. Together, the two changes yield a net reduction of $1.6 million.

Administrative Reduction
The Office of the Superintendent of Public Instruction (OSPI) operations budget is reduced by $2.0 million, and the Educational Service Districts' budgets are reduced by $1.2 million, for a total reduction of $3.2 million as part of statewide administrative reductions.

Policy Level Additions

Health Benefit Changes
Funding for school employee health benefits is increased by 1.8 percent for school year 2009-10 and 3.1 percent for school year 2010-11 to $745 per employee per month in school year 2009-10 and $768 in school year 2010-11 for total additional funding of $44.2 million.

Basic Education Bill
The Legislature passed Chapter 548, Laws of 2009, Partial Veto (ESHB 2261), which outlines a new definition of basic education to take effect September 1, 2011, subject to phase-in schedules for various components of the program. A new school funding structure is substantially defined in the legislation and scheduled to take effect beginning in the 2011-2012 school year, subject to technical formulas being adopted by the Legislature. The Legislature and the Quality Education Council (QEC), which is created in the legislation, are tasked with monitoring and overseeing the development of the funding formulas by various technical working groups also established in the bill. QEC is required to report to the Legislature by January 1, 2010, making recommendations concerning the concurrent phase-in of any changes in the Basic Education Program and requisite funding with full implementation to be completed by September 1, 2018. An amount of $4.4 million is provided in the budget for ESHB 2261, the majority of which supports the work of the QEC and technical working groups, as well as preparing for the implementation of new data system requirements, during the 2009-11 biennium.

2009 Session Bills
A net amount of $6.5 million is added to the budget for the costs and savings associated with legislation enacted in the 2009 Legislative session. The following is a list of bills and the associated changes in state funding:

Bill Number	Dollars in Thousands Brief Title	Change in State Funding
SHB 1292	180-day school year waiver	-154
SSB 5248	Interstate compact on educational opportunity for military children	89
SHB 2003	Changing professional educator standards board provisions	176
ESSB 5414	Statewide assessments and curricula	70
2SSB 5973	Closing the achievement gap in K-12 schools	102
ESHB 2261	State's education system	4,388
HB 1562	Changing requirements for graduation without a certificate	-1,072
SSB 5410	Relating to online learning	1,400
2SSB 5676	Career and technical education opportunities for middle school students	1,458
	Total	**6,457**

Higher Education

Overview

Despite allocation of $81.5 million of federal stimulus funding (American Recovery and Reinvestment Act of 2009), total 2009-11 state and federal appropriations to the public colleges and universities are $556 million (17 percent) below the amount needed to continue the current level of programs and activities, as shown below. Approximately $230 million of these reductions in public funding are offset by tuition increases, which are expected to total 14 percent per year for resident undergraduates at the public baccalaureate institutions and 7 percent per year at the community and technical colleges. After accounting for tuition increases, the University of Washington (UW) and Washington State University (WSU) will have about 7 percent less revenue for their core educational missions in 2009-11 than they do in fiscal year 2009; the four public comprehensive universities will each have about 6.5 percent less; and the community and technical colleges will experience a 6.0 percent reduction.

(Dollars in Millions)

	UW	WSU	EWU	CWU	TESC	WWU	CTCs	Total
Public $ Reduction	-189.4	-96.6	-26.6	-29.9	-14.1	-34.9	-164.8	-556.4
Change from State Funds Base	*-22.7%*	*-18.5%*	*-21.5%*	*-24.1%*	*-21.6%*	*-22.8%*	*-10.8%*	*-16.6%*
Net Reduction After Tuition Increase	-99.8	-54.2	-12.8	-12.7	-7.2	-16.6	-121.5	-324.7
Change from State + Tuition Base	*-7.0%*	*-7.0%*	*-6.5%*	*-6.5%*	*-6.5%*	*-6.5%*	*-6.0%*	*-6.5%*

The 2009-11 higher education budget attempts to strike a balance, in difficult economic times, among three competing goals:

- Keeping college affordable
- Maintaining access to higher education
- Emphasizing high economic demand fields

Affordability

Tuition would ideally increase little, if at all, given the current recessionary job losses, wage reductions, and diminished college savings. On the other hand, if they are to maintain access to public higher education, preserve the quality of current high-demand programs, and assure that there are sufficient course offerings for students to graduate in a timely fashion, the public colleges need additional tuition revenue to partially offset the reductions in state tax support.

The 2009-11 higher education budget balances these goals in part by authorizing the public four-year institutions to increase resident undergraduate tuition by a maximum of 14 percent each year and the community and technical colleges to increase tuition by up to 7 percent each year. The costs of these tuition increases will be largely offset for many students and families by two factors:

- A $57 million increase in state funding for need-based financial aid that, together with $13 million of increased federal Pell Grant and work-study funding, will offset all of the cost of the tuition increases for students and families with incomes below 50 percent of the state median ($37,500 for a family of four) and most of the cost for those with incomes up to 70 percent of the median ($52,500 for a family of four).

- The new federal American Opportunity Tax Credit, which provides additional refundable educational tax credits of $700-$2,500 per year for married persons with incomes up to $180,000 per year. In addition, families with little or no personal income tax liability may be able to claim up to $1,000 in refundable tax credits per eligible student each year.

Access to Higher Education

To provide as much opportunity for current and prospective students as possible, the Legislature anticipates that colleges and universities will reduce expenditures in other areas in order to preserve capacity for direct student instruction and academic support services. Expenditures on institutional and academic administration are expected to be reduced by $118 million, and other non-instructional activities – such as extension and other public service programs, state-sponsored research, library hours and acquisitions, and plant operations – are likely to be reduced by about $127 million. As a result of these actions, coupled with increased tuition revenue, and with increased productivity in the delivery of instructional services through methods such as online learning, fewer small-course offerings, and more faculty time in the classroom, the public colleges and universities are budgeted to enroll an average of 231,000 full-time-equivalent students each year. As shown below, averaged over the biennium, this is 3,500 (1.5 percent) fewer students than budgeted for the current academic year, and 14,000 (5.7 percent) fewer than are actually enrolled.

	Current FY 2009 Enrollment		2009-11 Budgeted Enrollment		
	Budgeted	Projected Actual	FY 2010	FY 2011	Biennial Average
University of Washington	38,526	39,729	36,546	37,162	36,854
Washington State University	22,250	23,316	22,250	22,250	22,250
Central Washington University	9,322	9,082	8,469	8,808	8,639
Eastern Washington University	9,184	9,287	8,477	8,734	8,606
The Evergreen State College	4,213	4,470	4,213	4,213	4,213
Western Washington University	12,175	12,408	11,373	11,762	11,568
Sub-Total, 4-Year Institutions	***95,670***	***98,292***	***91,328***	***92,929***	***92,129***
Community & Technical Colleges	139,237	147,137	139,237	139,237	139,237
TOTAL Public Higher Education	***234,907***	***245,429***	***230,565***	***232,166***	***231,366***

High-Demand Fields

Because higher education is an essential driver of economic recovery and development, the budget, therefore, requires the public colleges and universities to maintain, and to the extent possible expand, their current enrollment levels and degree production in computer science, technology, engineering, math, health care innovation and delivery, and related high-demand fields.

Other Education

Department of Early Learning

Funding for the Early Childhood Education and Assistance Program (ECEAP) is reduced by $3.1 million. The savings are based on a reduction in ECEAP slots by 2 percent, saving $2.3 million over two years. The reduction is expected to be offset through the increase in federal Head Start funding. The Department's administrative expenditures for the program are also reduced by $818,000.

The budget reduces funding for a number of small programs by $6.6 million state general fund. The savings are achieved through the following reductions: Parent, Family, Caregiver Support ($1.2 million); Early Childhood Apprenticeships ($200,000); Rule Making ($150,000); Child Care Quality Improvement Specialists ($870,000); and administrative reductions ($4.2 million).

The budget provides $1 million for the Department to contract with Thrive by Five Washington to pilot a Quality Rating and Improvement System. Funding is provided through the American Recovery and Reinvestment Act of 2009, the federal stimulus act.

Special Appropriations

Employee compensation related changes are displayed in individual agency budgets including institutions of higher education. The amounts displayed below summarize those items and are in addition to those included in the public schools section of this document.

State Employee Health Benefits – $53.7 Million General Fund-State, $43.7 Million Other Funds

Employee health benefit funding rates are increased by 3 percent each year, to $745 per employee per month in fiscal year 2010 and $768 in fiscal year 2011. Subject to statutory limitations and the requirements of any applicable collective bargaining agreements, the Public Employees' Benefits Board (PEBB) may make adjustments to employee premium contributions, point-of-service payments, or plan design in order to provide benefits within available funding. Similar increases to funding rates for health benefit costs in the K-12 system are incorporated into the school funding portions of the budget.

State Employee Pension Funding Method Changes – $106.5 Million General Fund-State Savings, $14.3 Million Other Fund Savings

Consistent with the adoption of Chapter 561, Laws of 2009 (SSB 6161 – Pension Systems Funding), funding for employer contributions to the state retirement systems is reduced to reflect changes to actuarial assumptions and methods used for the Public Employees' Retirement System (PERS), Teachers' Retirement System (TRS), School Employees' Retirement System (SERS), Public Safety Employees' Retirement System (PSERS), and the Washington State Patrol Retirement System (WSPRS). The funding policy changes are: reduction of the assumed rate of salary growth from 4.25 percent to 4 percent; delay of the adoption of new mortality tables until the 2011-13 biennium; suspension of contribution rate minimums for the 2009-11 biennium; a revised contribution rate floor for WSPRS; and the phased adoption of a new funding method for the Plan 1 unfunded liabilities.

As a result of these changes, total employer contribution rates for the biennium are reduced from the Pension Funding Council's adopted rates of 7.84 percent for PERS, 10.79 percent for TRS, 8.12 percent for SERS, 10.06 percent for PSERS, and 8.57 percent for WSPRS to 5.13 percent for PERS, 5.98 percent for TRS, 5.27 percent for SERS, 7.68 percent for PSERS, and 6.17 percent for WSPRS. Employee contribution rates are also reduced from 4.61 percent for PERS 2, 4.93 percent for TRS 2, 4.00 percent for SERS 2, 6.94 percent for PSERS, and 6.95 percent for WSPRS to 3.89 percent for PERS 2, 3.36 percent for TRS 2, 3.14 percent for SERS 2, 6.55 percent for PSERS, and 4.85 percent for WSPRS. The effect of the reductions in contribution rates for pension costs in the K-12 system are incorporated into the school funding portions of the budget.

2009 Supplemental Omnibus Budget Overview
Operating Only

As described earlier, the state faced a budget shortfall that spanned fiscal years 2009, 2010, and 2011. For fiscal year 2009, the state faced both a reduced revenue forecast and an increase in caseload and related costs ($162 million), fire related costs ($22 million), and a shortfall in several dedicated accounts ($12 million).

The Legislature adopted three bills that directly dealt with 2009 spending. Two of those bills directly made changes to the current budget for fiscal year 2009 (part of the current 2007-09 biennium). Taken together, these reduced net Near General Fund-State (NGF-S) appropriations for fiscal year 2009 by almost $1.1 billion. A portion of that reduction is attributable to federal funds received pursuant to the American Recovery and Reinvestment Act of 2009 (the federal stimulus act).

The first two bills were passed in February – Chapter 5, Laws of 2009 (ESSB 5460 – Administrative Cost of State Government), addressed policy issues such as salary and equipment freezes and Chapter 4, Laws of 2009 (ESHB 1694 – Fiscal Matters – 2007-09 Operating Budget), made specific reductions to agency budgets. In April, the Legislature also adopted Chapter 564, Laws of 2009, Partial Veto (ESHB 1244 – Operating Budget). That bill identified additional savings and addressed typical supplemental costs, such as forest fire fighting and caseload increases.

The following pages list, for each agency, the impact of both ESHB 1694 and ESHB 1244. Additional information about the use of federal funds, fund balance, expenditure limit, and fund transfers for the 2007-09 biennium can be found beginning on page 442.

Washington State Omnibus Operating Budget

2009 Supplemental Budget

TOTAL STATE

(Dollars in Thousands)

	Near General Fund-State			Total All Funds		
	2007-09	2009 Supp	Rev 2007-09	2007-09	2009 Supp	Rev 2007-09
Legislative	163,741	430	164,171	168,374	430	168,804
Judicial	247,336	122	247,458	288,259	122	288,381
Governmental Operations	556,272	-4,003	552,269	3,641,791	10,126	3,651,917
Other Human Services	2,708,458	17,863	2,726,321	5,011,182	107,472	5,118,654
DSHS	9,545,885	-160,338	9,385,547	19,221,937	276,286	19,498,223
Natural Resources	489,749	16,675	506,424	1,525,711	14,533	1,540,244
Transportation	82,317	3,954	86,271	167,667	3,955	171,622
Public Schools	13,604,294	-306,529	13,297,765	15,150,344	65,863	15,216,207
Higher Education	3,582,721	-1,597	3,581,124	9,141,908	-1,547	9,140,361
Other Education	180,787	74	180,861	438,492	8,710	447,202
Special Appropriations	1,858,985	9,911	1,868,896	2,110,145	8,226	2,118,371
Statewide Total	**33,020,545**	**-423,438**	**32,597,107**	**56,865,810**	**494,176**	**57,359,986**

Note: Includes only appropriations from the Omnibus Operating Budget enacted through the 2009 legislative session.

Washington State Omnibus Operating Budget

2009 Supplemental Budget

LEGISLATIVE AND JUDICIAL

(Dollars in Thousands)

	Near General Fund-State			Total All Funds		
	2007-09	2009 Supp	Rev 2007-09	2007-09	2009 Supp	Rev 2007-09
House of Representatives	70,420	430	70,850	70,496	430	70,926
Senate	55,963	0	55,963	56,038	0	56,038
Jt Leg Audit & Review Committee	6,326	0	6,326	6,326	0	6,326
LEAP Committee	3,474	0	3,474	3,474	0	3,474
Office of the State Actuary	25	0	25	3,335	0	3,335
Joint Legislative Systems Comm	17,581	0	17,581	17,581	0	17,581
Statute Law Committee	9,952	0	9,952	11,124	0	11,124
Total Legislative	**163,741**	**430**	**164,171**	**168,374**	**430**	**168,804**
Supreme Court	14,812	0	14,812	14,812	0	14,812
State Law Library	4,436	0	4,436	4,436	0	4,436
Court of Appeals	32,857	48	32,905	32,857	48	32,905
Commission on Judicial Conduct	2,222	0	2,222	2,222	0	2,222
Administrative Office of the Courts	116,500	74	116,574	157,423	74	157,497
Office of Public Defense	54,075	0	54,075	54,075	0	54,075
Office of Civil Legal Aid	22,434	0	22,434	22,434	0	22,434
Total Judicial	**247,336**	**122**	**247,458**	**288,259**	**122**	**288,381**
Total Legislative/Judicial	**411,077**	**552**	**411,629**	**456,633**	**552**	**457,185**

Washington State Omnibus Operating Budget

2009 Supplemental Budget

GOVERNMENTAL OPERATIONS

(Dollars in Thousands)

	Near General Fund-State			Total All Funds		
	2007-09	2009 Supp	Rev 2007-09	2007-09	2009 Supp	Rev 2007-09
Office of the Governor	12,964	0	12,964	19,679	0	19,679
Office of the Lieutenant Governor	1,591	0	1,591	1,681	0	1,681
Public Disclosure Commission	4,906	0	4,906	4,906	0	4,906
Office of the Secretary of State	54,645	423	55,068	124,874	756	125,630
Governor's Office of Indian Affairs	785	0	785	785	0	785
Asian-Pacific-American Affrs	800	0	800	800	0	800
Office of the State Treasurer	0	0	0	15,538	0	15,538
Office of the State Auditor	1,532	0	1,532	82,479	0	82,479
Comm Salaries for Elected Officials	381	0	381	381	0	381
Office of the Attorney General	14,174	0	14,174	253,014	1,812	254,826
Caseload Forecast Council	1,583	0	1,583	1,583	0	1,583
Dept of Financial Institutions	1,500	0	1,500	48,101	0	48,101
Dept Community, Trade, Econ Dev	146,353	0	146,353	503,119	-60	503,059
Economic & Revenue Forecast Council	1,531	0	1,531	1,531	0	1,531
Office of Financial Management	57,718	350	58,068	141,290	350	141,640
Office of Administrative Hearings	0	0	0	32,752	-539	32,213
Department of Personnel	96	0	96	62,953	0	62,953
State Lottery Commission	0	0	0	795,443	0	795,443
Washington State Gambling Comm	0	0	0	33,633	0	33,633
WA State Comm on Hispanic Affairs	678	0	678	678	0	678
African-American Affairs Comm	514	0	514	514	0	514
Department of Retirement Systems	303	0	303	53,098	0	53,098
State Investment Board	0	0	0	24,332	0	24,332
Public Printer	0	0	0	18,617	515	19,132
Department of Revenue	203,523	-5,221	198,302	220,216	-5,221	214,995
Board of Tax Appeals	2,845	0	2,845	2,845	0	2,845
Municipal Research Council	425	0	425	5,729	0	5,729
Minority & Women's Business Enterp	0	0	0	3,614	0	3,614
Dept of General Administration	1,148	226	1,374	165,858	226	166,084
Department of Information Services	7,571	0	7,571	263,558	0	263,558
Office of Insurance Commissioner	0	0	0	46,968	0	46,968
State Board of Accountancy	0	0	0	2,574	350	2,924
Forensic Investigations Council	0	0	0	276	0	276
Washington Horse Racing Commission	0	0	0	8,987	0	8,987
WA State Liquor Control Board	1,910	0	1,910	233,980	2,000	235,980
Utilities and Transportation Comm	160	0	160	35,927	0	35,927
Board for Volunteer Firefighters	0	0	0	1,041	0	1,041
Military Department	23,783	173	23,956	309,599	14,995	324,594
Public Employment Relations Comm	6,427	0	6,427	9,714	0	9,714
LEOFF 2 Retirement Board	0	0	0	2,020	0	2,020
Archaeology & Historic Preservation	2,655	0	2,655	4,810	-100	4,710
Growth Management Hearings Board	3,771	46	3,817	3,771	46	3,817
State Convention and Trade Center	0	0	0	98,523	-5,004	93,519
Total Governmental Operations	**556,272**	**-4,003**	**552,269**	**3,641,791**	**10,126**	**3,651,917**

Washington State Omnibus Operating Budget

2009 Supplemental Budget

HUMAN SERVICES

(Dollars in Thousands)

	Near General Fund-State			Total All Funds		
	2007-09	2009 Supp	Rev 2007-09	2007-09	2009 Supp	Rev 2007-09
WA State Health Care Authority	564,273	-2,171	562,102	759,148	-2,171	756,977
Human Rights Commission	6,957	0	6,957	8,480	200	8,680
Bd of Industrial Insurance Appeals	0	0	0	35,947	164	36,111
Criminal Justice Training Comm	37,431	-125	37,306	50,361	-125	50,236
Department of Labor and Industries	49,258	0	49,258	615,511	643	616,154
Indeterminate Sentence Review Board	3,813	0	3,813	3,813	0	3,813
Home Care Quality Authority	3,258	0	3,258	3,258	0	3,258
Department of Health	257,637	-3,208	254,429	1,026,588	7,535	1,034,123
Department of Veterans' Affairs	28,222	-651	27,571	110,038	738	110,776
Department of Corrections	1,750,248	24,018	1,774,266	1,761,371	23,802	1,785,173
Dept of Services for the Blind	4,941	0	4,941	24,386	1,173	25,559
Sentencing Guidelines Commission	2,088	0	2,088	2,088	0	2,088
Employment Security Department	332	0	332	610,193	75,513	685,706
Total Other Human Services	**2,708,458**	**17,863**	**2,726,321**	**5,011,182**	**107,472**	**5,118,654**

Washington State Omnibus Operating Budget

2009 Supplemental Budget

DEPARTMENT OF SOCIAL & HEALTH SERVICES

(Dollars in Thousands)

	Near General Fund-State			Total All Funds		
	2007-09	2009 Supp	Rev 2007-09	2007-09	2009 Supp	Rev 2007-09
Children and Family Services	669,862	1,942	671,804	1,163,363	12,346	1,175,709
Juvenile Rehabilitation	218,791	-2,163	216,628	230,446	-1,955	228,491
Mental Health	902,411	-23	902,388	1,538,251	22,883	1,561,134
Developmental Disabilities	871,743	-4,466	867,277	1,746,109	44,981	1,791,090
Long-Term Care	1,413,961	-52,269	1,361,692	3,004,610	5,982	3,010,592
Economic Services Administration	1,055,547	3,221	1,058,768	2,257,003	54,835	2,311,838
Alcohol & Substance Abuse	174,610	1,275	175,885	369,661	9,640	379,301
Medical Assistance Payments	3,918,707	-108,185	3,810,522	8,376,726	122,136	8,498,862
Vocational Rehabilitation	19,841	-12	19,829	117,791	4,534	122,325
Administration/Support Svcs	84,065	0	84,065	148,328	0	148,328
Special Commitment Center	104,722	-738	103,984	104,722	-738	103,984
Payments to Other Agencies	111,625	1,080	112,705	164,927	1,642	166,569
Total DSHS	**9,545,885**	**-160,338**	**9,385,547**	**19,221,937**	**276,286**	**19,498,223**
Total Human Services	**12,254,343**	**-142,475**	**12,111,868**	**24,233,119**	**383,758**	**24,616,877**

Washington State Omnibus Operating Budget

2009 Supplemental Budget

NATURAL RESOURCES

(Dollars in Thousands)

	Near General Fund-State			Total All Funds		
	2007-09	2009 Supp	Rev 2007-09	2007-09	2009 Supp	Rev 2007-09
Columbia River Gorge Commission	1,033	0	1,033	2,086	-27	2,059
Department of Ecology	127,487	-187	127,300	462,236	-4,297	457,939
WA Pollution Liab Insurance Program	0	0	0	1,798	0	1,798
State Parks and Recreation Comm	94,520	5	94,525	147,124	1,255	148,379
Rec and Conservation Funding Board	3,271	0	3,271	27,991	0	27,991
Environmental Hearings Office	2,253	0	2,253	2,253	0	2,253
State Conservation Commission	16,568	0	16,568	17,746	0	17,746
Dept of Fish and Wildlife	106,131	32	106,163	342,971	-260	342,711
Puget Sound Partnership	8,688	-200	8,488	15,853	0	15,853
Department of Natural Resources	101,719	17,025	118,744	386,858	17,862	404,720
Department of Agriculture	28,079	0	28,079	118,795	0	118,795
Total Natural Resources	**489,749**	**16,675**	**506,424**	**1,525,711**	**14,533**	**1,540,244**

Washington State Omnibus Operating Budget

2009 Supplemental Budget

TRANSPORTATION

(Dollars in Thousands)

	Near General Fund-State			Total All Funds		
	2007-09	2009 Supp	Rev 2007-09	2007-09	2009 Supp	Rev 2007-09
Washington State Patrol	78,901	3,954	82,855	118,738	3,955	122,693
Department of Licensing	3,416	0	3,416	48,929	0	48,929
Total Transportation	**82,317**	**3,954**	**86,271**	**167,667**	**3,955**	**171,622**

Washington State Omnibus Operating Budget

2009 Supplemental Budget

PUBLIC SCHOOLS

(Dollars in Thousands)

	Near General Fund-State			Total All Funds		
	2007-09	2009 Supp	Rev 2007-09	2007-09	2009 Supp	Rev 2007-09
OSPI & Statewide Programs	75,049	103	75,152	156,840	1,403	158,243
General Apportionment	9,265,714	32,435	9,298,149	9,265,714	32,435	9,298,149
Pupil Transportation	574,919	14,989	589,908	574,919	14,989	589,908
School Food Services	6,318	0	6,318	431,728	0	431,728
Special Education	1,139,955	-1,613	1,138,342	1,575,647	1,547	1,577,194
Educational Service Districts	16,049	0	16,049	16,049	0	16,049
Levy Equalization	423,655	4,414	428,069	423,655	4,414	428,069
Elementary/Secondary School Improv	0	0	0	43,450	0	43,450
Institutional Education	38,869	1,900	40,769	38,869	1,900	40,769
Ed of Highly Capable Students	17,171	-12	17,159	17,171	-12	17,159
Student Achievement Program	860,279	-362,000	498,279	860,279	0	860,279
Education Reform	268,798	27	268,825	422,327	5,958	428,285
Transitional Bilingual Instruction	135,155	-636	134,519	180,398	-636	179,762
Learning Assistance Program (LAP)	198,988	1,614	200,602	559,648	1,614	561,262
Promoting Academic Success	16,867	0	16,867	16,867	0	16,867
Compensation Adjustments	566,508	2,250	568,758	566,783	2,251	569,034
Total Public Schools	**13,604,294**	**-306,529**	**13,297,765**	**15,150,344**	**65,863**	**15,216,207**

Washington State Omnibus Operating Budget

2009 Supplemental Budget

EDUCATION

(Dollars in Thousands)

	Near General Fund-State			Total All Funds		
	2007-09	2009 Supp	Rev 2007-09	2007-09	2009 Supp	Rev 2007-09
Higher Education Coordinating Board	473,513	-1,600	471,913	516,546	-1,600	514,946
University of Washington	775,634	0	775,634	4,060,594	50	4,060,644
Washington State University	492,354	0	492,354	1,169,735	0	1,169,735
Eastern Washington University	114,188	0	114,188	235,539	0	235,539
Central Washington University	113,512	3	113,515	248,919	3	248,922
The Evergreen State College	62,445	0	62,445	115,454	0	115,454
Spokane Intercoll Rsch & Tech Inst	3,386	0	3,386	4,795	0	4,795
Western Washington University	143,069	0	143,069	325,489	0	325,489
Community/Technical College System	1,404,620	0	1,404,620	2,464,837	0	2,464,837
Total Higher Education	**3,582,721**	**-1,597**	**3,581,124**	**9,141,908**	**-1,547**	**9,140,361**
State School for the Blind	12,038	66	12,104	13,599	66	13,665
State School for the Deaf	17,622	28	17,650	17,938	28	17,966
Workforce Trng & Educ Coord Board	3,455	0	3,455	57,948	0	57,948
Department of Early Learning	131,482	0	131,482	325,254	8,500	333,754
Washington State Arts Commission	5,002	-20	4,982	6,568	116	6,684
Washington State Historical Society	7,254	0	7,254	10,164	0	10,164
East Wash State Historical Society	3,934	0	3,934	7,021	0	7,021
Total Other Education	**180,787**	**74**	**180,861**	**438,492**	**8,710**	**447,202**
Total Education	**17,367,802**	**-308,052**	**17,059,750**	**24,730,744**	**73,026**	**24,803,770**

Washington State Omnibus Operating Budget

2009 Supplemental Budget

SPECIAL APPROPRIATIONS

(Dollars in Thousands)

	Near General Fund-State			Total All Funds		
	2007-09	2009 Supp	Rev 2007-09	2007-09	2009 Supp	Rev 2007-09
Bond Retirement and Interest	1,575,674	-6,099	1,569,575	1,763,731	-5,857	1,757,874
Special Approps to the Governor	166,823	15,093	181,916	229,926	13,154	243,080
Sundry Claims	88	195	283	88	207	295
Contributions to Retirement Systems	116,400	722	117,122	116,400	722	117,122
Total Special Appropriations	**1,858,985**	**9,911**	**1,868,896**	**2,110,145**	**8,226**	**2,118,371**

2009-11 Transportation Budget Overview

Current Budget Conditions

Transportation revenue and investment packages, authorized by the Legislature in 2003 and 2005 and endorsed by citizens through initiative, are peaking at the very time when public investment in infrastructure is needed to bolster the sagging economy.

However, transportation budget conditions have continued to deteriorate since enactment of the revenue packages, making delivery of projects and programs a challenge. An economic recession, a volatile global oil market, and continued decline in vehicle miles traveled have severely impacted the outlook for transportation revenue. At the same time, recent double and triple digit annual construction cost inflation pressures increased the expected costs of projects. When compared to the 2008 supplemental budget, the combination of inflationary impacts and declining revenues is -$514 million in the 2009-11 biennium and -$5 billion over the 16-year financial plan.

A brief summary of the financial viability of the 16-year project plan since the enactment of the 2005 Transportation Partnership Act is on page 8 of these highlights.

Despite current external economic challenges, planned investment package spending in combination with a competitive bid environment presents a unique opportunity to help jump start the economy and create jobs in the 2009-11 biennium while delivering needed infrastructure and programs.

To help accomplish the goals of the 2003 and 2005 investment packages, the 2009-11 transportation budget assumes issuance of 30-year bonds. Extending the term of transportation bonds from 25 to 30 years also better aligns with the useful life of the assets being built. The budget also recognizes that construction cost inflation pressures are moderating, resulting in a number of recent project bids coming in below engineers' estimates.

The result is more than $4.4 billion in transportation project investments in the transportation budget. Over 400 projects are funded and scheduled to move forward.

Some examples include:

- I-5/SR 161/SR 18 "Triangle" - Interchange Improvements
- SR 105/North River Bridge
- SR 9 Corridor Improvements
- SR 11/I-5 Interchange - Josh Wilson Rd - Rebuild Interchange
- US 12/Frenchtown Vicinity to Walla Walla - Add Lanes
- SR 26/W of Othello - Passing Lane
- SR 27/Pine Creek Bridge - Replace Bridge
- SR 28/Jct US 2 and US 97 to 9th St - Stage 1
- I-90/Two Way Transit - Transit and HOV Improvement
- US 101/Hoh River (Site #2) - Stabilize Slopes
- SR 167 New Freeway
- SR 167/8th St E to S 277th St - Managed Lane
- I-5/NE 134th St Interchange
- SR 502/I-5 to Battle Ground - Add Lanes
- SR 510/Yelm Loop - New Alignment
- SR 522/Snohomish River Bridge to US 2 - Add Lanes
- SR 539/Ten Mile Road to SR 546
- Increased funding for the Department's significant maintenance backlog ($16.8 million)

In addition to the unprecedented level of state transportation infrastructure investment in the budget, recent American Recovery and Reinvestment Act federal stimulus funding for transportation projects totals nearly $500 million. As a result, almost $5 billion in transportation-related capital spending is scheduled to take place throughout the state over the next 24 months.
A complete list of the state-programmed federal stimulus highway projects is included in the 2009 Supplemental Budget section of this document for reference.

Criteria for Prioritizing Transportation Investments
With a resource gap of almost $5 billion over the next 16 years, last year's capital construction project schedule is no longer feasible. After prioritizing projects relative to available revenue, projects not meeting certain criteria are delayed in the 16-year transportation finance plan.

The top priority is to maintain forward momentum on mega-projects and projects of regional significance. These include the Tacoma I-5 High Occupancy Vehicle (HOV) project, I-90/Snoqualmie Pass, SR 99/Alaskan Way Viaduct Replacement, SR 395 North Spokane Corridor, I-405 Corridor projects, and the SR 520 Bridge Replacement.

Additional criteria are used to prioritize the remainder of the projects, resulting in the delay of 16 highway projects. Candidates for delay include projects that are unlikely to be completed within 16 years based on the 2008 Legislative plan and those that would not be operationally complete within the next four to six years.

The 16 projects delayed by the 2009-11 transportation budget include:

- SR 3/Belfair Bypass - New Alignment
- SR 704/Cross Base Highway - New Alignment
- SR 20/Sharpes Corner Vicinity - New Interchange
- SR 3/Fairmont Ave to Goldsborough Creek Br - Replace
- SR 4/Abernathy Creek Br - Replace Bridge
- SR 109/Moclips River Bridge - Replace
- I-405/NE 132nd St - New Interchange
- I-405/NE 44th St to 112th Ave SE – Widening
- I-405/Kirkland Vicinity Stage 2
- SR 161/36th to Vicinity 24th St E - Widen to 5 Lanes
- US 101/Dawley Road
- US 101/Gardiner Vicinity - Add Passing Lane
- US 195/Spring Flat Creek
- SR 28/E Wenatchee Access Control
- US 97/S of Chelan Falls
- I-5/14th Ave Thompson Pl - Add Noise Wall

520 Bridge
The SR 520 Evergreen Point Bridge provides an east-west link across Lake Washington for about 155,000 trips every day. Built in the 1960s without the benefit of today's design standards, the bridge is vulnerable to failure in severe windstorms and earthquakes. A failure of this bridge or its approach structures could cause serious injury and loss of life and would snarl traffic on other regional highways with re-routed traffic.

Unlike other mega-projects in the region, the replacement of the SR 520 Evergreen Point Bridge was not fully funded with the passage of the 2005 Transportation Partnership Act. The plan instead was for the Puget Sound region to form a regional transportation investment district to help finance the project. With the failure of that vote in 2007, the replacement of the bridge now depends on tolls and other revenues.

Chapter 472, Laws of 2009 (ESHB 2211), authorizes the imposition of tolls, which, together with other available funds, will make it possible to replace the floating bridge. Additionally, Chapter 498, Laws of 2009 (ESHB 1272), authorizes the issuance of $1.95 billion in toll and fuel tax backed general obligation bonds in order to finance the State Route 520 corridor projects. The legislation requires the bonds to be first payable from toll revenue and then from gas tax revenue to the extent toll revenue is not available for that purpose. The two measures allow for expected work in 2009-11 to proceed, including the construction of the pontoons in Grays Harbor County and in Tacoma. With these investments underway, the state finally begins to address one of its highest priority safety issues.

Alaskan Way Viaduct

The 2009 Legislature endorsed a deep bored tunnel under First Avenue as the preferred alternative to replace the aging and vulnerable Alaskan Way Viaduct. Chapter 458, Laws of 2009 (ESSB 5768), capped the state's investment at $2.4 billion and allowed an additional $400 million in tolls. In a letter to legislators, the Mayor pledged the city of Seattle will complete its promised street improvements to ensure adequate and efficient access for freight and vehicles and for neighborhood residents along the SR 99 corridor.

Construction of the tunnel is expected to begin in 2011, with completion set for 2015.

Ferries

In 2007 the Legislature froze ferry fares for two years and substantially reduced ferry capital construction while evaluating a new plan for Washington State Ferries (WSF) operating and capital needs. The 2007-09 biennium also provided WSF the opportunity to undergo a meaningful operational transformation. The 2009-11 budget charts a new path forward for WSF by funding and implementing several key recommendations from the 2009 Joint Transportation Committee (JTC) study of long-range ferry system finances including: beginning new ferry construction, ferry service and operations efficiencies, and recognizing the need for ongoing system improvements.

- **New Ferry Construction**
  - The budget and financial plan provide capital funding for the purchase of four vessels in the 2009-11 and 2011-13 biennia. The first three vessels will be Island Home class (64-auto) ferry vessels, and the fourth vessel will be either an Island Home class or a 144-auto ferry, depending on the timing and availability of funds. The financial plan includes funding for a fifth vessel, 144-auto capacity, in subsequent biennia; and
  - The budget and financial plan prioritize vessels over terminal improvement projects. If WSF seeks and receives additional federal funding, the funds may be used to replace the Anacortes ferry terminal. The Mukilteo terminal may be moved pending the results of environmental and archeological studies and receipt of further federal funds.
- **Ferry Service and Operations**
  - Operations funding is provided for all routes. Service to Sidney, B.C. is maintained, and funding is provided for extra runs on the Port Townsend-Keystone route during the summer season when only one vessel is otherwise available for that route;
  - The budget and financial plan hold the line on ferry fares by assuming no more than a 2.5 percent fare increase, as well as the adoption of various efficiencies recommended by the JTC study; and
  - Funding is provided to begin a WSF reservation system pilot project after a pre-design study is completed by the WSF and the JTC reviews the study and makes a recommendation to the Legislature in 2010.

Operating Program Savings and Efficiencies ($27 Million, 67 FTEs)

The transportation budget and financial plan realize several operational savings. The budget and plan:

- capture and implement line-by-line savings from the Governor-directed freezes (and saves $15 million beginning in 2009-11 and continuing into the future);
- assume additional efficiencies of about $21 million per biennium after the 2009-11 biennium commensurate with a total 5 percent reduction in operations spending;

- require the Department of Transportation (DOT) to identify operational savings and efficiencies of $6.7 million; and
- authorize the Department of Licensing to close up to 25 licensing service offices resulting in cost savings and efficiencies. The department is also directed keep the Legislature informed of the implementation of this effort (and saves $4.2 million in 2009-11, and $5.2 million in subsequent biennia).

Rail

In 2003, $349.5 million in general obligation bonding authority was provided for multimodal transportation projects. Of that amount, $233 million in general obligation bond authorization remains to date. The majority of this authority was programmed in the 2008 Legislative budget and financial plan on future rail projects.

Due to a dramatic decline in general state revenues, state capital budget debt capacity is sharply constrained. To offset these constraints, $100 million of general obligation bonding authority is removed from rail projects, adding additional capacity to the capital budget.

The rail program is now funded predominantly on a cash basis. This change requires delays in a number of rail projects, which nonetheless remain fully funded in the 16-year plan. Using the Governor's proposed project list as a starting place, the transportation budget uses the following criteria to determine project delays:

- If proposed funding in the 2009-11 biennium completes the project, it is fully funded for 2009-11; and
- If the project would not have been completed in 2009-11 according to the 2008 Legislative financial plan, funding is delayed to accommodate cash flow needs.

The greatest impact is seen on the three major north-south rail projects: Kelso-Martin Bluff, Point Defiance Bypass, and Vancouver Rail Bypass. Because of previous state investment in rail infrastructure, the transportation budget anticipates these projects will be very competitive for federal high-speed rail stimulus funding.

Public Transportation

Amidst rising gas prices, job losses, and a desire to reduce our dependency on foreign oil, it is increasingly important to keep state commitments to public transportation programs and infrastructure. Public transportation is an affordable option and a vital service for many.

The transportation budget makes a $33 million investment in the Regional Mobility Grant program for new grants. These grants help local governments fund projects that improve transit mobility, reduce congestion, and improve connectivity and efficiency.

Additionally, the budget provides funding for the following:

- Paratransit & special needs grants
  - The budget includes $25 million for competitive and formula grants for transportation for people with special needs. Funds go to transit agencies and nonprofit transportation providers of services such as for the elderly and people with disabilities.
- Rural mobility grants
  - The budget includes $17 million for public transportation in and between rural communities. This flexible grant program helps rural communities serve people who rely on public transportation.
- Vanpool grant program
  - The budget includes $7 million for a vanpool grant program for public transit agencies to add vanpools or replace vans and for incentives for employers to increase employee vanpool use.
- Climate change
  - The budget includes funding for one staff person to support DOT's ongoing efforts to support statewide goals to reduce greenhouse gas emissions.

- Transportation demand management
    - The budget includes funding to reduce congestion, including a flexible carpooling pilot project and community-based incentives to reduce drive-alone trips.

Planning for the Future

Existing sources of state and federal transportation funding are unlikely to be sustainable over the long term. New vehicle technology and policies to reduce greenhouse gas emissions will also drive down transportation revenues. Given current assumptions about driving behavior in the future, a revenue source beyond fuel taxes is needed to fund the transportation system in the future.

The budget provides funding for the JTC to conduct a comprehensive analysis of mid-term and long-term transportation funding mechanisms and methods. The study is intended to facilitate the development and possible implementation of alternative transportation funding methods.

In addition, the budget calls for facility-based tolling studies at DOT. For the I-405 corridor and the Columbia River Crossing, the studies will include a public outreach component similar to the process followed for the SR 520 Tolling Implementation Committee. For the SR 167 and SR 509 port connections, tolling feasibility studies will identify opportunities for tolling in these corridors, recognizing their value to freight movement.

Acting on recommendations of the JTC ferry study, the budget directs a review of a reservation system for WSF. The current budget includes $3.8 million to begin the process of developing and implementing a reservation system following the review. DOT will propose a system and implementation plan to the JTC by November 2009.

A Brief Summary Of The Financial Viability Of The 16-Year Project Plan Since The Enactment Of The 2005 Transportation Partnership Act

2006 Session Supplemental Budget

- Revenue forecast remained essentially unchanged from original estimates used to support the Nickel and Transportation Partnership Packages' capital investment plans;
- Minor schedule changes and reallocation of state and federal funds supported by passage of the federal reauthorization act known as SAFETEA-LU. Capital cost increases of around $100 million are covered primarily by federal revenues; and
- Amended Capron Act to provide additional funds for operating the ferry system and stabilizing ferry fares.

2007 Session 2007-09 Biennial Budget

- 16-year revenue forecast holds up despite near-term pressure from rising fuel prices. Forecast decrease in fuel prices in outer-biennia keeps overall revenue picture stable;
- Global construction boom raises demand for construction related commodities (steel, concrete, etc.) and skilled labor. Construction cost inflation fuels $2 billion in cost increases to planned, 16-year capital construction estimates;
- Stable revenue forecast allows for increased bond authority to accommodate construction cost increases; and
- Provided additional fee revenue to support enhanced Washington State Patrol program funding.

2008 Session Supplemental Budget

- Increasingly volatile global crude oil market and surge in global demand for petroleum products pushes fuel prices to record levels. Forecast demand for fuel is sharply lower impacting both state and federal fuel tax revenue forecasts. These events coupled with federal legislation increasing fuel economy standards eliminated approximately $1.5 billion in revenues from the 16-year financial plan;
- Construction cost inflation leads to further refinement in cost estimates adding approximately $300 million to the 16-year capital construction spending plan; and
- A continued decline in near-term and forecast global interest rates supports balancing of long-term financing plan.

2009 Session 2009-11 Biennial Budget

- Declining fuel consumption and consumer demand amidst an economic recession has reduced forecasted transportation revenues by an additional $2.8 billion for the 16-year financial plan. Refined cost estimates, principally due to the completion of the ferry system's long range plan, of $2.1 billion must also be accommodated in the 16-year plan;
- The long-term financial plan remains balanced for all of the major construction funds except the Puget Sound Capital Construction Account (which supports ferry capital expenditures); and
- Near-term moderation of construction cost inflation, the state's strong credit rating, extension of borrowing terms, the delay of certain projects, and savings in operating expenditures allow the state to move forward with unprecedented levels of transportation capital spending for the 2009-11 biennium.

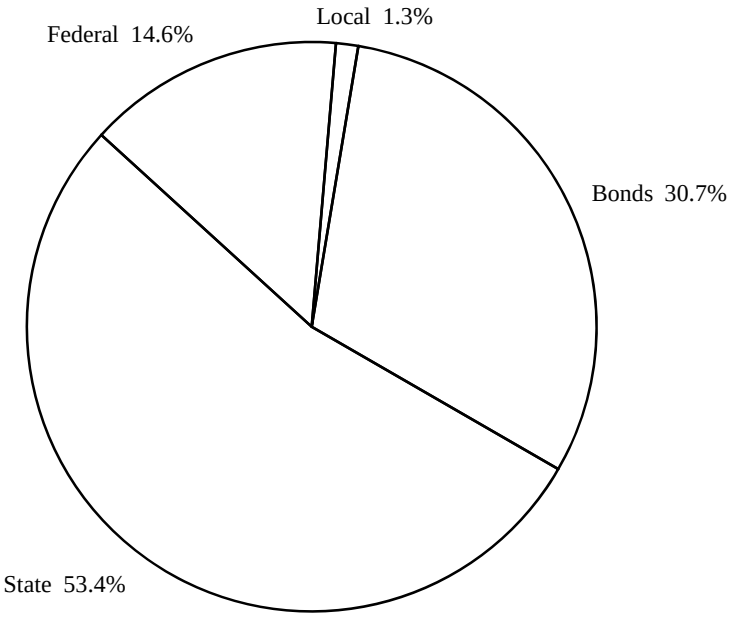
2009-11 Transportation Budget

Chapter 470, Laws of 2009, Partial Veto (ESSB 5352)

Total Appropriated Funds

(Dollars in Thousands)

COMPONENTS BY FUND TYPE
Total Operating and Capital Budget



Fund Type	
State	4,017,635
Federal	1,097,300
Local	94,959
Bonds	2,308,298
Total	**7,518,192**

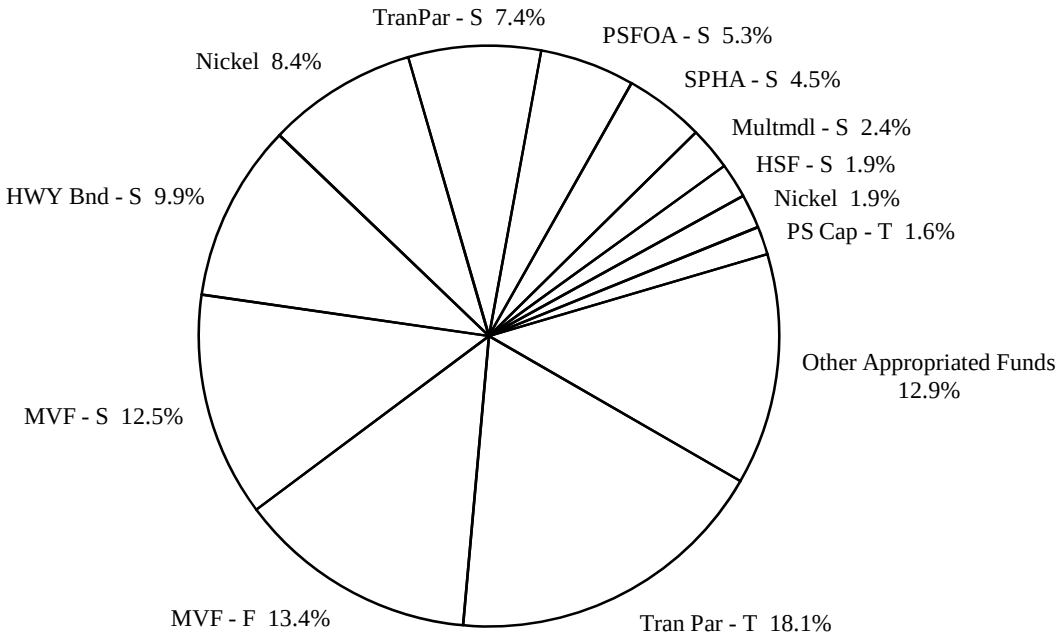
2009-11 Transportation Budget

Chapter 470, Laws of 2009, Partial Veto (ESSB 5352)

Total Appropriated Funds

(Dollars in Thousands)

MAJOR COMPONENTS BY FUND SOURCE AND TYPE
Total Operating and Capital Budget



Major Fund Source	
Transportation Partnership Account - Bonds (TranPar - T)	1,360,528
Motor Vehicle Account - Federal (MVF - F)	1,004,591
Motor Vehicle Account - State (MVF - S)	939,306
Highway Bond Retirement Account - State (HWY Bnd - S)	742,400
Transportation 2003 Acct (Nickel) - Bonds (Nickel - T)	628,000
Transportation Partnership Account - State (TranPar - S)	553,996
Puget Sound Ferry Operations Acct - State (PSFOA - S)	397,430
State Patrol Highway Account - State (SPHA - S)	335,069
Multimodal Transportation Account - State (Multmdl - S)	180,970
Highway Safety Account - State (HSF - S)	146,402
Transportation 2003 Acct (Nickel) - State (Nickel - S)	142,439
Puget Sound Capital Construction - Bonds (PS Cap - T)	118,000
Other Appropriated Funds	969,061
Total	**7,518,192**

2009-11 Washington State Transportation Budget

Fund Summary

TOTAL OPERATING AND CAPITAL BUDGET

(Dollars in Thousands)

	MVF State *	P.S. Ferry Op Acct State	Nickel Acct State *	WSP Hwy Acct State	Tranpo Partner State *	Multimod Acct State *	Other Approp	Total Approp
Department of Transportation	**884,689**	**400,592**	**766,064**	**0**	**1,905,683**	**200,734**	**1,622,906**	**5,780,668**
Pgm B - Toll Op & Maint-Op	585	0	0	0	0	0	88,313	88,898
Pgm C - Information Technology	67,811	0	2,676	0	2,675	363	240	73,765
Pgm D - Facilities-Operating	25,501	0	0	0	0	0	0	25,501
Pgm D - Facilities-Capital	4,810	0	0	0	0	0	0	4,810
Pgm F - Aviation	0	0	0	0	0	0	8,159	8,159
Pgm H - Pgm Delivery Mgmt & Suppt	48,032	0	0	0	0	250	500	48,782
Pgm I - Hwy Const/Improvements	80,735	0	703,708	0	1,723,834	1	611,594	3,119,872
Pgm K - Public/Private Part-Op	615	0	0	0	0	200	0	815
Pgm M - Highway Maintenance	347,637	0	0	0	0	0	7,797	355,434
Pgm P - Hwy Const/Preservation	88,142	0	7,237	0	103,077	0	537,871	736,327
Pgm Q - Traffic Operations	51,526	0	0	0	0	0	2,177	53,703
Pgm Q - Traffic Operations - Cap	6,394	0	0	0	0	0	9,262	15,656
Pgm S - Transportation Management	29,153	0	0	0	0	973	294	30,420
Pgm T - Transpo Plan, Data & Resch	24,724	0	0	0	0	696	22,025	47,445
Pgm U - Charges from Other Agys	87,331	0	0	0	0	561	400	88,292
Pgm V - Public Transportation	0	0	0	0	0	65,795	58,286	124,081
Pgm W - WA State Ferries-Cap	0	0	51,734	0	67,234	170	165,550	284,688
Pgm X - WA State Ferries-Op	0	400,592	0	0	0	0	0	400,592
Pgm Y - Rail - Op	0	0	0	0	0	34,933	0	34,933
Pgm Y - Rail - Cap	0	0	0	0	0	68,530	29,910	98,440
Pgm Z - Local Programs-Operating	8,739	0	0	0	0	0	2,567	11,306
Pgm Z - Local Programs-Capital	12,954	0	709	0	8,863	28,262	77,961	128,749
Washington State Patrol	0	0	0	338,387	0	0	13,469	351,856
Department of Licensing	78,805	0	0	738	0	0	158,306	237,849
Joint Transportation Committee	1,901	0	0	0	0	0	0	1,901
LEAP Committee	502	0	0	0	0	0	0	502
Office of Financial Management	3,389	100	0	0	0	0	0	3,489
Utilities and Transportation Comm	0	0	0	0	0	0	705	705
WA Traffic Safety Commission	0	0	0	0	0	0	22,472	22,472
Archaeology & Historic Preservation	422	0	0	0	0	0	0	422
County Road Administration Board	3,177	0	0	0	0	0	84,743	87,920
Transportation Improvement Board	0	0	0	0	0	0	217,473	217,473
Marine Employees' Commission	0	446	0	0	0	0	0	446
Transportation Commission	2,237	0	0	0	0	112	0	2,349
Freight Mobility Strategic Invest	695	0	0	0	0	0	0	695
State Parks and Recreation Comm	986	0	0	0	0	0	0	986
Department of Agriculture	1,507	0	0	0	0	0	0	1,507
State Employee Compensation Adjust	-8,462	-3,708	0	-4,056	0	-177	-8,524	-24,927
Total Appropriation	**969,848**	**397,430**	**766,064**	**335,069**	**1,905,683**	**200,669**	**2,111,550**	**6,686,313**
Bond Retirement and Interest	958	0	4,375	0	8,841	301	817,404	831,879
Total	**970,806**	**397,430**	**770,439**	**335,069**	**1,914,524**	**200,970**	**2,928,954**	**7,518,192**

* *Includes Bond amounts.*

2007-09 Washington State Transportation Budget

TOTAL OPERATING AND CAPITAL BUDGET

Total Appropriated Funds

(Dollars in Thousands)

	2007-09 Approp Auth	2009 Supplemental	Revised 2007-09
Department of Transportation	**5,819,406**	**-209,860**	**5,609,546**
Pgm B - Toll Op & Maint-Op	31,175	-696	30,479
Pgm C - Information Technology	89,541	-2,600	86,941
Pgm D - Hwy Mgmt & Facilities-Op	33,982	6	33,988
Pgm D - Plant Construction & Supv	6,255	10	6,265
Pgm F - Aviation	10,647	-207	10,440
Pgm H - Pgm Delivery Mgmt & Suppt	57,869	-1,850	56,019
Pgm I - Hwy Const/Improvements	3,014,109	-138,456	2,875,653
Pgm K - Public/Private Part-Op	1,291	0	1,291
Pgm M - Highway Maintenance	342,139	38,978	381,117
Pgm P - Hwy Const/Preservation	773,318	151,457	924,775
Pgm Q - Traffic Operations	53,517	14	53,531
Pgm Q - Traffic Operations - Cap	25,487	-2,716	22,771
Pgm S - Transportation Management	29,937	0	29,937
Pgm T - Transpo Plan, Data & Resch	51,589	-724	50,865
Pgm U - Charges from Other Agys	66,761	-5,595	61,166
Pgm V - Public Transportation	128,842	-32,286	96,556
Pgm W - WA State Ferries-Cap	253,167	-63,220	189,947
Pgm X - WA State Ferries-Op	428,675	15,845	444,520
Pgm Y - Rail - Op	37,010	-1,914	35,096
Pgm Y - Rail - Cap	213,677	-87,005	126,672
Pgm Z - Local Programs-Operating	11,548	0	11,548
Pgm Z - Local Programs-Capital	158,870	-78,901	79,969
Washington State Patrol	348,456	-9,874	338,582
Department of Licensing	237,182	-4,206	232,976
Joint Transportation Committee	3,063	-1	3,062
LEAP Committee	1,195	0	1,195
Special Approps to the Governor	1,852	0	1,852
Office of Financial Management	3,777	0	3,777
Board of Pilotage Commissioners	1,152	0	1,152
Utilities and Transportation Comm	504	0	504
WA Traffic Safety Commission	21,826	-1	21,825
Archaeology & Historic Preservation	340	0	340
County Road Administration Board	103,357	-1,916	101,441
Transportation Improvement Board	223,201	-29,649	193,552
Marine Employees' Commission	434	-1	433
Transportation Commission	2,434	-1	2,433
Freight Mobility Strategic Invest	691	0	691
State Parks and Recreation Comm	983	0	983
Department of Agriculture	1,355	0	1,355
Total Appropriation	**6,771,208**	**-255,509**	**6,515,699**
Bond Retirement and Interest	627,277	-32,768	594,509
Total	**7,398,485**	**-288,277**	**7,110,208**

2009-11 Capital Budget Overview

The 2009-11 and 2009 Supplemental Capital Budgets were enacted as Chapter 497, Laws of 2009, Partial Veto (ESHB 1216), and Chapter 6, Laws of 2009 (HB 1113). Chapter 498, Laws of 2009 (ESHB 1272), authorizes the issuance of bonds to finance the bonded portion of the capital budgets.

The 2009-11 Capital Budget appropriates $1.8 billion in debt limit bonds, $85 million in school construction bonds that are outside the debt limit, and $1.3 billion in other funds for a total biennial budget of $3.3 billion. This total is approximately $1 billion less than the total capital budget for the 2007-09 biennium. The 2009 Supplemental Capital Budget (enacted in Chapters 6 and 497, Laws of 2009) appropriates $339 million in additional bonds and reduces other funds by $317 million for a total fund increase of $22.6 million. The 2009-11 Capital Budget also reappropriates $2.4 billion to complete projects authorized in prior biennia.

The bond capacity available to finance capital projects in 2009-11 is 40 percent less than the capacity in the 2007-09 biennium due to declining general revenues. The State Constitution limits debt service payments on outstanding general obligation bonds to 9 percent of general state revenues. Chapter 500, Laws of 2009 (SSB 5537), amended the 7 percent statutory debt limit to align it with the constitutional debt limit of 9 percent. The reduced capacity was partially offset by passage of legislation that abolished four dedicated accounts and shifted the revenues to the state general fund. Chapter 479, Laws of 2009 (ESSB 5073), abolished the Health Services Account, the Violence Reduction and Drug Enforcement Account, the Water Quality Account, and the Public Safety and Education Account (including the Equal Justice Subaccount) and shifted about $1.6 billion per biennium in dedicated revenue to general state revenue. Even after this change, bond capacity is 18 percent less than the 2007-09 biennium.

Approximately $778 million from several dedicated accounts traditionally appropriated in the capital budget are transferred to the state general fund or are directly appropriated in the operating budget. These accounts include, but are not limited to: lottery revenue used for school construction; Public Works Assistance Account revenue used for local infrastructure projects; and Model Toxics Control Act accounts (State Toxics and Local Toxics) used for environmental cleanup. Many of the projects traditionally funded with the revenues that were transferred to the operating budget are funded in the capital budget with bonds.

Public School Construction

A total of $827 million is appropriated for K-12 construction assistance grants in the 2009-11 Capital Budget. Due to declining timber and other trust land revenues and the shift of state lottery revenues to the state general fund, over two thirds of the school construction assistance budget is funded with state bonds. The 2009 Supplemental Capital Budget also added $130 million of state bonds to accommodate a reduction in revenue that supports school construction and accelerated school district construction schedules.

The Office of the Superintendent of Public Instruction receives an appropriation of $20 million for health, safety, and small repair grants. Up to $3 million may be used for grants for health and safety repairs, and the remainder is for energy efficiency and health and safety improvements in schools that use performance based contracting.

A total of $27.7 million is appropriated for projects at the state's vocational skills centers including:

- $3.7 million for minor capital improvements at all of the state's vocational skills centers;
- $800,000 for renovation of space on the Columbia Basin Community College campus for the Tri-Cities Science, Technology, Engineering, and Mathematics school;
- $4 million to complete the purchase of property for the North Central Technical Skills Center;
- $9.05 million for construction of the Northeast King County Skills Center;
- $10 million for construction of the Pierce County Skills Center; and
- $100,000 for the Tri-Tech Skills Center on the Walla Walla Branch Campus.

Higher Education

The budget includes $576 million in state bonds and $926 million in total funds for higher education. Included in the total appropriation is $133 million for six projects financed with certificates of participation (COPs) or bonds issued by the two research universities for which the debt service payments will be paid out of the higher education building/capital project accounts. These building account bonds or COPs were authorized in Chapter 499, Laws of 2009 (ESHB 2254). Approximately $256 million is provided for preservation and minor works projects at all state higher education facilities.

Funding is provided for a variety of major projects at the community and technical colleges, including:

- $20 million for a vocational building at Columbia Basin College;
- $25 million for the Student Fitness and Health Center at Everett Community College;
- $20 million for Kent Station Phase 2 at Green River Community College;
- $26 million for the Allied Health Building at Lake Washington Technical College;
- $13.9 million for the Employment Resource Center at North Seattle Community College;
- $33.6 million for the Business and Humanities Center at Peninsula College;
- $15 million for Cascade Core Phase II at Pierce College Fort Steilacoom;
- $24.6 million for the Wood Construction Center at Seattle Central Community College;
- $10 million for Building 22 renovations at South Puget Sound Community College;
- $30.7 million for the Technical Education Building at Spokane Community College;
- $27.8 million for the Chemistry and Life Science Building at Spokane Falls Community College;
- $13.8 million for the Music Building 15 renovation at Spokane Falls Community College;
- $30.4 million COP for the Instructional Resource Center at Bellingham Technical College *; and
- $26.5 million COP for the Humanities and Classroom Building at the Green River Community College *.

Funding is provided for a variety of major projects at four-year institutions, including:

- $53.5 million in bonds for the Interdisciplinary Academic (Molecular Engineering) Building at the University of Washington*;
- $34 million for the University of Washington Tacoma Phase 3;
- $36.7 million in bonds for the Applied Technology and Classroom Building at Washington State University – Vancouver *;
- $6.2 million in bonds for the Global Animal Health Phase 1 at Washington State University *;
- $7.4 million for the design of the $96 million Biomedical Research Facility at Washington State University – Pullman *;
- $26.6 million for Patterson Hall remodel at Eastern Washington University;
- $27.3 million for renovation of Hogue Hall Renovation and addition at Central Washington University; and
- $54.6 million for the renovation of Miller Hall at Western Washington State University.

* *NOTE: These projects are financed all or in part with building account COPs or bonds for which the debt service payments will be paid out of the higher education building/capital project accounts.*

Habitat and Recreation Lands

Over $350.5 million is provided to improve public access to recreation and preserve open space and habitat. Through the Washington Wildlife and Recreation Program, $70 million will preserve and create habitat and recreation projects. The Trust Land Transfer Program's $100 million appropriation allows for the purchase and lease of trust lands with high recreation and habitat value and that are difficult to manage for income production. Through the Aquatic Lands Enhancement Grant Program, $5 million in revenue from the state tidelands and bedlands is provided for water access projects. The Recreation and Conservation Funding Board received appropriations in the amount of $132.5 million for various recreation and conservation programs. The State Parks and Recreation Commission's state, federal, and local appropriation authority is $43 million to preserve and improve the state park system.

Local Infrastructure and Environment

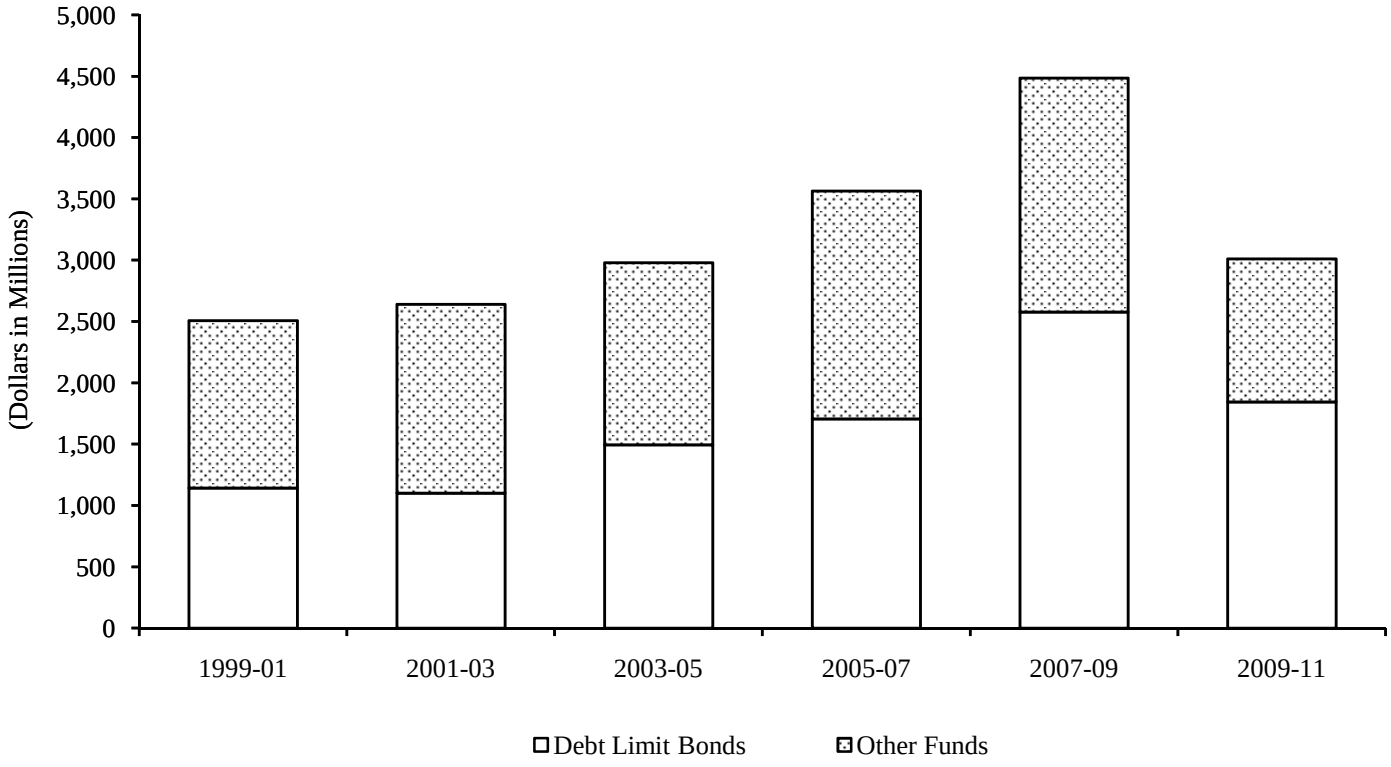
Various grant and loan programs provide over $595 billion to local governments and nonprofit organizations. The largest of these programs are for roads, sewer, water, housing, and pollution control projects. These programs include the Water Pollution Revolving Account ($178.7 million), the Housing Trust Fund ($100 million), Remedial Action Grants ($37.7 million), the Drinking Water Assistance Program ($102 million), the Centennial Clean Water Program ($30 million), and the Temporary Public Works Grant Program ($44.6 million).

The Public Works Assistance Account funds were transferred to the City-County Assistance Account ($10 million) to assist local governments during the recession and to the state general fund ($368 million). However, $95 million in taxable bonds were appropriated in the 2009 Supplemental Capital Budget to the Public Works Board so that previously authorized infrastructure projects may continue to be reimbursed for construction. An additional $42.5 million is provided for the Public Works Board to administer grants for specified public works projects and two competitive programs: one for local governments in rural communities, and one for local governments in urban communities. Emergency loans under the existing Public Works Board program may continue with an additional $2 million in bonds appropriated for the program.

State assistance to local governments and nonprofit organizations also extends to several other competitive grant programs including: Building for the Arts ($11.6 million), Building Communities Fund ($28 million), Youth Recreational Facilities ($7.5 million), Heritage Program ($10 million), Innovation Partnership Zones ($1.5 million), Community Economic Revitalization Board ($6.3 million), Historic Courthouse Rehabilitation ($2 million), and Historic Barn Preservation ($300,000). Funding is also provided for a variety of local and community projects ($21.2 million), Community Schools ($5 million), and a Job Development Fund Grant ($3 million).

Total Appropriations in the Capital Budget
12-Year History

(Dollars in Millions)



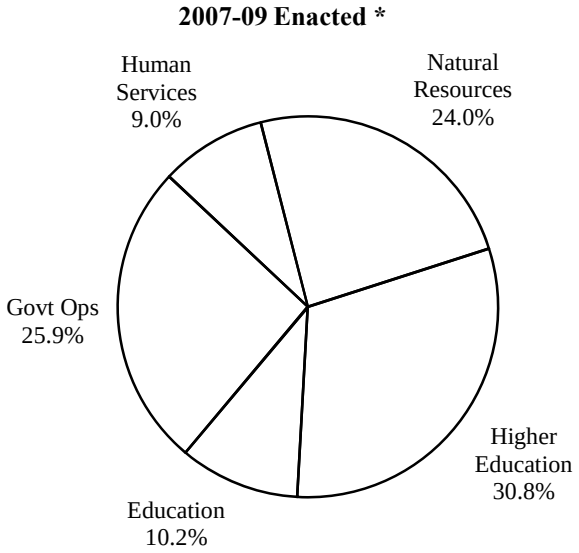
	Debt Limit Bonds	Other Funds	Total
1999-01	1,143	1,364	2,508
2001-03	1,102	1,539	2,641
2003-05	1,494	1,485	2,980
2005-07	1,708	1,856	3,564
2007-09	2,578	1,909	4,487
2009-11	1,846	1,164	3,010

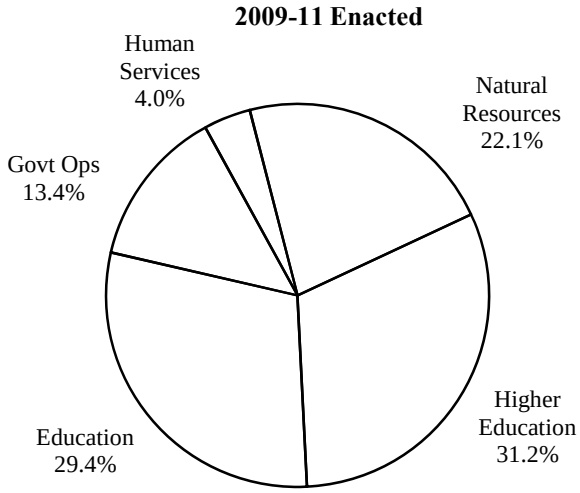
Note: Historical data is revised periodically to show changes made to appropriations by future legislatures. State bond totals include both general obligation bonds and reimbursable bonds. This data does not include alternative finance projects.

Capital Budget Comparision
2007-09 Enacted * vs. 2009-11 Enacted

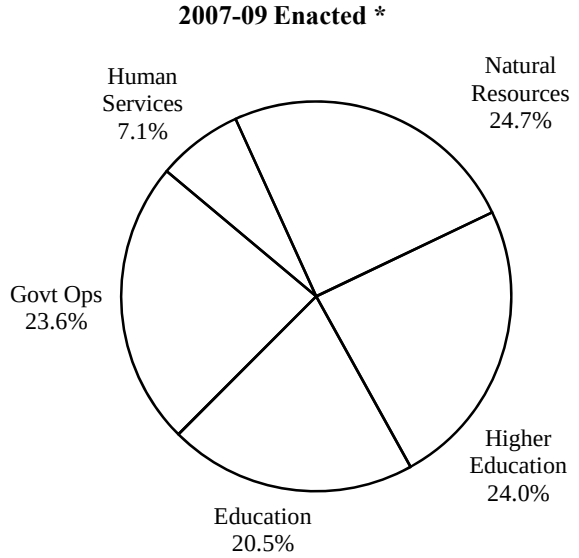
(Dollars in Thousands)

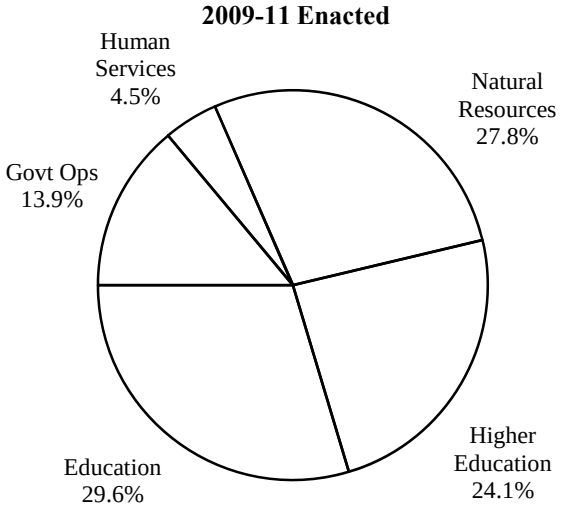
Debt Limit Bonds





Total New Appropriations





	2007-09 Enacted *		2009-11 Enacted	
	Debt Limit Bonds	**Total**	**Debt Limit Bonds**	**Total**
Governmental Operations	667,609	1,058,753	247,409	419,205
Human Services	232,188	319,620	73,354	136,264
Natural Resources	619,741	1,108,372	407,145	837,629
Higher Education	794,938	1,078,635	575,669	724,951
Education	263,476	921,644	542,418	892,318
Total	**2,577,952**	**4,487,024**	**1,845,995**	**3,010,367**

Note: This data does not include alternative finance projects ($251.9 million for 2007-09 and $257.1 million for 2009-11).
** Includes 2009 Supplemental Capital Budget*

2009-11 Washington State Capital Budget

Alternative Finance Projects

Chapter 497, Laws of 2009, Partial Veto (ESHB 1216)

(Dollars in Thousands)

Governmental Operations	
Department of General Administration	
O'Brien Building Improvements	27,144
Human Services	
Department of Corrections	
Purchase or Build Work Release/Violator Beds	17,958
Natural Resources	
Department of Ecology	
Rebuild East Wall of Ecology Headquarters	11,000
Higher Education	
University of Washington	
Interdisciplinary Academic Building	53,544
Washington State University	
Global Animal Health Phase 1 Construction	6,200
Washington State University Pullman - Biomedical Sciences Facility	7,400
WSU Vancouver - Applied Technology and Classroom Building	10,000
Total	**23,600**
Community & Technical College System	
Bellingham Technical College: Instructional Resource Center	30,358
Edmonds Community College: Allied Health & Construction Industry	5,000
Everett Community College: Student Fitness and Health Center	25,000
Green River Community College: Humanities and Classroom Building	26,532
Green River Community College: Kent Station Phase 2	20,000
North Seattle Community College: Employment Resource Center	8,900
Spokane Community College: Riverpoint One Acquisition	3,400
Walla Walla Community College: Water and Environment Center	1,000
Walla Walla Community College: Land Acquisition	1,000
Wenatchee Valley College: Acquisition of Music and Art Center	2,700
Total	**123,890**
Total Higher Education	**201,034**
Projects Total	**257,136**

Washington Wildlife and Recreation Program
LEAP Capital Document No. 2009-1a
2009-11 Capital Budget
Developed April 23, 2009

RCO #	Project Name	Project Sponsor	Funding Level
	WWRP, Local Parks Ranked List of Projects		
08-1669D	Evergreen Park Expansion/Shoreline Rest. 08	Bremerton City of	500,000
08-1603D	Outdoor Swimming Pool Renovation	Prosser City of	500,000
08-1648D	Pioneer Park Field Lighting	Aberdeen Parks & Rec Dept	500,000
08-1337D	South Kitsap Regional Park-Phase 1	Kitsap County Parks and Rec	500,000
08-1580D	Doc Hageman Park	Lynnwood City of	500,000
08-1609D	Palouse City Park Renovation	Palouse City of	12,000
08-1602D	McDonald Park Lighting Project Phase II	Colfax City of	39,639
08-1831D	Multi-Purpose Sports Turf Field - Central Park	Issaquah City of	500,000
08-1630C	Rocky Hill Park	Liberty Lake City of	503,500
08-1091D	Wright Park Spray and Playground	Tacoma MPD	376,861
08-1205A	Fallen Leaf Lake Park	Camas City of	1,000,000
08-1303D	Kiwanis Park Splash Park and Boardwalk	Mount Vernon Parks & Rec Dept	322,000
08-1538D	Trustland Trails Parking and Connection	South Whidbey Parks & Rec Dist	56,198
08-1596A	Ward Lake Acquisition	Olympia Parks, Arts & Rec	750,000
08-1290A	Tenino City Park Expansion - WWRP Local Parks	Tenino City of	57,500
08-1292A	Ballard Park Acquisition	Seattle Parks & Rec Dept	350,000
08-1212A	Agnew Soccer Fields	Clallam Co Parks Dept	205,500
08-1299D	Memorial Field Renovation-2008	Skagit County Parks & Rec	115,000
08-1094D	Children's Nature Exploration Area	Tacoma MPD	350,000
08-1390A	Tolle Anderson Park Acquisition	Issaquah City of	Alternate
08-1133D	Stadler Ridge Park	Lynnwood City of	350,000
08-1340D	Vashon Athletic Fields Improvements Ph 2 & 3	Vashon Park District	368,802
08-1209D	Lighthouse Park Phase 2	Mukilteo City of	Alternate
08-1251D	D. Douglas Community Park Renovation	Vancouver Parks & Rec Dept	Alternate
08-1305D	Camas Field of Dreams Sports Complex: Phase 1	Camas City of	Alternate
08-1149D	Ron Regis Park Phase II	Renton City of	Alternate
08-1374D	Steve Cox Memorial Park, Phase II	King County DNR & Parks	Alternate
08-1455D	Cirque Park Phase 2	University Place City of	Alternate
08-1425D	Badger Mountain Park Water Spray Improvements	Richland Parks & Rec	Alternate
08-1082D	Finch Spray Park	Aberdeen Parks & Rec Dept	Alternate
08-1310D	Perrigo Park Development Phase 2	Redmond City of	Alternate
08-1284D	Jefferson Park Development	Seattle Parks & Rec Dept	Alternate
08-1801D	Paul Powers Park	Port Orchard City of	Alternate
08-1748A	Meydenbauer Bay Waterfront Acquisition	Bellevue City of	Alternate
08-1430D	Claybell Park Improvements	Richland Parks & Rec	Alternate
08-1370D	Yakima Youth Soccer Complex	Yakima Parks & Recreation	Alternate
08-1115A	Garrett Property Acquisition	Washougal City of	Alternate
08-1382D	Memorial Park Improvements - Phase 1	Carnation City of	Alternate
08-1404D	Hales Pass Renovation	Peninsula Metropolitan Park	Alternate
08-1469A	Cordata Park Acquisition	Bellingham Parks & Rec Dept	Alternate
08-1309D	Phase II - Greenacres Park Development	Spokane Valley City of	Alternate
08-1293A	Knight Forest	Peninsula Metropolitan Park	Alternate
08-1714D	Columbia Park Off Leash Dog Park	Kennewick Parks & Rec Dept	Alternate
08-1089D	SERA Skate Park, Spray and Playground	Tacoma MPD	Alternate
08-1588D	Hamlin Park Renovation	Shoreline City of	Alternate
08-1154A	Sunset Park Acquisition	Clark County Parks Dept	Alternate
08-1880D	West Hill Park Development 3	Kent Parks, Rec & Comm Serv	Alternate
08-1145D	Ashford Community Park, Phase 1	Pierce County Parks & Rec	Alternate

Washington Wildlife and Recreation Program
LEAP Capital Document No. 2009-1a
2009-11 Capital Budget
Developed April 23, 2009

RCO #	Project Name	Project Sponsor	Funding Level
WWRP, Local Parks Ranked List of Projects (continued)			
08-1539D	Sunset Crossing Park Development	Airway Heights City of	Alternate
08-1163D	Curtin Creek Community Park	Clark County Parks Dept	Alternate
08-1196D	Northgate Urban Center Park Development Ph 1	Seattle Parks & Rec Dept	Alternate
08-1473D	Beacon Park Phase 1	Montesano City of	Alternate
08-1137A	WRAC Acquisition	Wenatchee City of	Alternate
08-1706D	Naches Trail Preserve	Pierce Co Water Programs Div	Alternate
08-1263D	Volunteer Park Renovation Phase 1	Key Peninsula Metro Park Dist	Alternate
08-1150A	Mackie Park	Vancouver Parks & Rec Dept	Alternate
08-1636C	Paradise Valley Mt. Bike Skill Center	Snohomish County Parks Dept	Alternate
08-1758D	DuPont Skate Park	DuPont City of	Alternate
08-1685D	Hansen Park - Phase III Amenities	Kennewick Parks & Rec Dept	Alternate
08-1647D	Cromwell Park Renovation	Shoreline City of	Alternate
08-1658D	Torguson Park Playground Equipment	North Bend City of	Alternate
08-1159D	Lauren Neighborhod Park	Vancouver Parks & Rec Dept	Alternate
08-1441A	Victor Falls Viewpoint	Pierce County Parks & Rec	Alternate
08-1418D	Shelterbelt Linear Park Trail Improvements	Richland Parks & Rec	Alternate
08-1066D	Mason County Recreation Area Renovation	Mason County	Alternate
08-1162D	Bosco Place Neighborhood Park	Clark County Parks Dept	Alternate
08-1652D	Ponderosa Park Renovation	Cle Elum City of	Alternate
08-1237A	Community Park Acquisition	College Place City of	Alternate
08-1161D	Lakeshore Neighborhood Park	Clark County Parks Dept	Alternate
08-1600D	College Marketplace Ballfields	Poulsbo City of	Alternate
08-1095A	Oak Tree Park Expansion	Tacoma MPD	Alternate
08-1302D	Dayton Skate Park Development	Dayton City of	Alternate
08-1759D	Southridge Sports Fields Park	Kennewick Parks & Rec Dept	Alternate
08-1254A	Southwest County UGA Community Park	Snohomish County Parks Dept	Alternate
08-1608D	Torguson Park Climbing Rock	North Bend City of	Alternate
08-1087A	Happy Dell Park Acquisition	Kettle Falls City of	Alternate
			7,857,000
WWRP, State Lands Development & Renovation Ranked List of Projects			
08-1165D	Mt. Si NRCA Trail Bridges (Development) 2008	Dept of Natural Resources	170,000
08-1052D	Samish Overlook	Dept of Natural Resources	325,000
08-1487D	W Fork Satsop River Access Improvements	Dept of Fish & Wildlife	324,837
08-1485D	Whatcom ADA Dock Replacement	Dept of Fish & Wildlife	324,600
08-1489D	Colockum Access Improvements	Dept of Fish & Wildlife	165,063
08-1484D	Teanaway Junction Access Improvements	Dept of Fish & Wildlife	Alternate
08-1406D	Chehalis River SP NAP Access (Development) 2008	Dept of Natural Resources	Alternate
08-1475D	Lower Monitor Wenatchee River Access Development	Dept of Fish & Wildlife	Alternate
08-1816D	Tim's Pond Public Access	Dept of Fish & Wildlife	Alternate
08-1486D	Shillapoo North Unit Parking Lot Development	Dept of Fish & Wildlife	Alternate
08-1405D	Loomis NRCA Trail Relocation (Development) 2008	Dept of Natural Resources	Alternate
08-1049D	Mailbox Peak Trail Development - Phase 1	Dept of Natural Resources	Alternate
08-1407D	Merrill Lake NRCA (Development) 2008	Dept of Natural Resources	Alternate
			1,309,500

Washington Wildlife and Recreation Program
LEAP Capital Document No. 2009-1a
2009-11 Capital Budget
Developed April 23, 2009

RCO #	Project Name	Project Sponsor	Funding Level
	WWRP, State Parks Ranked List of Projects		
08-1266D	Pearrygin Lake Expansion - Phase 1 Dev	State Parks	1,000,000
08-1884A	Pearrygin Lake - Hill/Golf Course Acquisition	State Parks	Alternate
08-1822A	Statewide Inholdings and Adjacent 2008	State Parks	750,000
08-1329A	Kiket Island Acquisition (2008)	State Parks	2,500,000
08-1363A	Loomis Lake Acquisitions	State Parks	Alternate
08-1808A	Seaview Dunes - Doney	State Parks	2,000,000
08-1277D	Steamboat Rock - Campground Phase 2	State Parks	1,607,000
08-1216A	Rockport State Park Expansion - Moran/Arthun Acq	State Parks	Alternate
08-1364A	Cape Disappointment Eagle's Nest Acquisition	State Parks	Alternate
08-1849D	Kanaskat-Palmer Campground	State Parks	Alternate
08-1834A	Deception Pass State Park - Whidbey Market Acq	State Parks	Alternate
			7,857,000
	WWRP, Trails Ranked List of Projects		
08-1075D	Spruce Railroad Trail Tunnel Restoration	Clallam Co Public Works Dept	999,000
08-1332D	Centennial Trail Realignment at Gateway Park	Spokane County Parks & Rec	197,974
08-1361D	Willapa Hills Trail - Chehalis to Adna	State Parks	300,000
08-1314D	Olympic Discovery Trail - Dry Creek Bridge	Port Angeles City of	379,670
08-1773C	Larry Scott Trail Final Phase Project	Jefferson Co Public Works	590,830
08-1690D	Interurban Trail - 3rd Ave SW to Stewart Road	Pacific City of	267,878
08-1432A	The Ridge Acquisition	Richland Parks & Rec	Alternate
08-1635D	Des Moines Creek Trail- Waterfront Connection	Des Moines Parks & Rec Dept	579,083
08-1252D	Chelatchie Prairie Rail-with-Trail Phase 1	Clark County Parks Dept	623,565
08-1697D	Interurban Trail Edmonds	Edmonds Parks & Recreation	577,000
08-1698C	Historic Iron Bridge Renovation	Spokane City of	530,000
08-1298D	Mount Vernon Riverfront Promenade Trail	Mount Vernon City of	193,000
08-1262C	Sumner Trail #1 Confluence Trail to Bridge Street	Sumner City of	Alternate
08-1774C	Cushman-Scott Pierson Trails Connector	Peninsula Metropolitan Park	Alternate
08-1797A	Chambers - Leach Creek Trail	University Place City of	Alternate
08-1369D	Foothills Trail Development	King County DNR & Parks	Alternate
08-1775D	Centennial Trail Phase 1 Stage 3	Snohomish County Parks Dept	Alternate
08-1313C	Sumner Trail #4 - 24th St. Bridge Connection	Sumner City of	Alternate
08-1444D	Foothills Trail - Buckley to So. Prairie Phase 2	Pierce County Parks & Rec	Alternate
08-1297D	Sumner Trail #5 White River Trail	Sumner City of	Alternate
08-1676D	E Lk Sammamish Trail-Issaquah Segment	King County of	Alternate
08-1110D	E.Lk Sammamish Trail -Redmond Segment	King County of	Alternate
08-1566D	Interurban Trail & Trailhead Phase 2	Edgewood City of	Alternate
08-1800D	White River Trail Extension	Auburn City of	Alternate
08-1770D	Naches Trail, Phase 1	Yakima County Public Services	Alternate
08-1451D	Johnson Avenue Path	Pullman City of	Alternate
08-1668D	Bremerton Boardwalk Trail 08	Bremerton City of	Alternate
08-1764D	Historic Water Ditch Trail	Tacoma City of	Alternate
08-1812D	Clear Creek Meadows Trail Development	Kitsap County Public Works	Alternate
08-1270A	Yakima Levee Trail Acquisition	State Parks	Alternate
08-1086D	Bear/Evans Creek Trail & Greenway at Johnson Park	Redmond City of	Alternate
08-1211A	Bear/Evans Creek Trail & Greenway - Reid Property	Redmond Parks & Rec Dept	Alternate
08-1250D	Pearson Park Trail	Vancouver Parks & Rec Dept	Alternate

Washington Wildlife and Recreation Program
LEAP Capital Document No. 2009-1a
2009-11 Capital Budget
Developed April 23, 2009

RCO #	Project Name	Project Sponsor	Funding Level
WWRP, Trails Ranked List of Projects (continued)			
08-1223D	Sequim Bay - Pedestrian Bridge	State Parks	Alternate
08-1767D	Vancouver Lake Trail Extension 2	Clark County Parks Dept	Alternate
08-1762A	Tanner Trail Acquisition	North Bend City of	Alternate
			5,238,000
WWRP, Water Access Ranked List of Projects			
08-1096A	Wapato Park Miranda Property Acquisition	Tacoma MPD	231,663
08-1210D	Chambers Creek North Dock & Pedestrian Overpass	Pierce Co Public Works	750,000
08-1084D	Wapato Park Shoreline Access	Tacoma MPD	232,125
08-1409A	Devil's Head Acquisition	Pierce County Parks & Rec	1,687,500
08-1417A	Cowlitz River Acquisition (Eaton)	Longview City of	126,872
08-1771D	Lk Samm State Park: Sunset Beach Renovation 1	State Parks	Alternate
08-1235A	Wollochet Bay Estuary Park	Peninsula Metropolitan Park	369,350
08-1019D	Eddon Boat Park	Gig Harbor City of	Alternate
08-1587A	Lily Point Acquisition II	Whatcom County Parks & Rec	530,990
08-1349D	Norwegian Point Park-Phase 1	Kitsap County Parks and Rec	Alternate
08-1144D	Tanner Landing Whitewater Access Park, Phase II	King County DNR & Parks	Alternate
08-1354A	Matinjussi Panther Lake Acquisition	Kent Parks, Rec & Comm Serv	Alternate
08-1595D	Percival Landing Rehabilitation	Olympia Parks, Arts & Rec	Alternate
08-1208D	Steamboat Landing Improvements	Washougal City of	Alternate
08-1273A	Eagle Point Land Acquisition	Shelton City of	Alternate
08-1280A	Dutcher Cove Uplands Acquisition	Key Peninsula Metro Park Dist	Alternate
08-1286A	Judd Cove Water Access	San Juan County Land Bank	Alternate
08-1118D	Hathaway Park Drift Boat Launch Replacement	Washougal City of	Alternate
08-1459A	Dryden Dam Water Access	Fish & Wildlife Dept of	Alternate
08-1268D	Pearrygin Lake - Swim Beach Development	State Parks	Alternate
08-1234C	Point Ruston Promenade	Tacoma City of	Alternate
08-1766A	Lake Sammamish Park	Bellevue City of	Alternate
08-1888C	Allyn Waterfront Park Expansion	Allyn Port of	Alternate
08-1224D	Cama Beach - Marine Railway Renovation	State Parks	Alternate
08-1560A	High Lakes (Weyco)	Fish & Wildlife Dept of	Alternate
08-1813D	Manchester Shoreline Access Development	Manchester Port of	Alternate
08-1821D	Silverdale Sailboat Storage Float	Silverdale Port of	Alternate
			3,928,500
WWRP, Critical Habitat Ranked List of Projects			
08-1504A	West Branch Little Spokane River Phase II	Fish & Wildlife Dept of	4,140,000
08-1505A	Methow Watershed Phase 6	Fish & Wildlife Dept of	3,500,000
08-1502A	Okanogan Similkameen Phase 2	Fish & Wildlife Dept of	2,836,000
08-1509A	Mid Columbia Shrubsteppe Phase 2	Fish & Wildlife Dept of	Alternate
08-1185A	Wanapum NAP 2008	Natural Resources Dept of	Alternate
08-1518A	Touchet River and Grasslands 2	Fish & Wildlife Dept of	Alternate
08-1501A	Mountain View Phase 1	Fish & Wildlife Dept of	Alternate
08-1510A	Klickitat White Oak	Fish & Wildlife Dept of	Alternate
08-1818A	Tarboo Headwaters to Bay	Port Gamble S'Klallam Tribe	Alternate
08-1508A	Heart of the Cascades Phase 1	Fish & Wildlife Dept of	Alternate

Washington Wildlife and Recreation Program
LEAP Capital Document No. 2009-1a
2009-11 Capital Budget
Developed April 23, 2009

RCO #	Project Name	Project Sponsor	Funding Level
WWRP, Critical Habitat Ranked List of Projects (continued)			
08-1503A	Stemilt Basin Phase 1	Fish & Wildlife Dept of	Alternate
08-1261A	Turtleback Mountain	San Juan County Land Bank	Alternate
08-1341A	White River Acquisition	King County DNR & Parks	Alternate
08-1398A	Pt Heyer Drift Cell Preservation - Phase 1 WWRP	King Co Water & Land Res	Alternate
08-1681D	Hansen Creek floodplain restoration	Upper Skagit Tribe	Alternate
08-1877A	Duwamish Gardens Estuarine Habitat Acquisition	Tukwila City of	Alternate
			10,476,000
WWRP, Natural Areas Ranked List of Projects			
08-1180A	Lacamas Prairie Natural Area 2008	Dept of Natural Resources	3,540,022
08-1186A	Washougal Oaks NAP/NRCA 2008	Dept of Natural Resources	1,709,977
08-1179A	Ink Blot and Shumocher Creek NAPs 2008	Dept of Natural Resources	1,747,200
08-1184A	Trout Lake NAP 2008	Dept of Natural Resources	859,801
08-1175A	Bone River and Niawiakum River NAPs 2008	Dept of Natural Resources	-
08-1826A	Admiralty Inlet Heritage Forest Acquisition	State Parks	Alternate
08-1177A	Cypress Island Natural Area 2008	Dept of Natural Resources	Alternate
08-1176A	Columbia Hills NAP 2008	Dept of Natural Resources	Alternate
			7,857,000
WWRP, State Lands Restoration & Enhancement Ranked List of Projects			
08-1524R	Sinlahekin Ecosystem Restoration - Phase 1	Dept of Fish & Wildlife	778,632
08-1535R	South Sound Prairie and Grassland Bald Restoration	Dept of Fish & Wildlife	270,380
08-1399R	Elk River NRCA - Phase 2 (Restoration) 2008	Dept of Natural Resources	-
08-1400R	Washougal Oaks NAP (Restoration) 2008	Dept of Natural Resources	235,000
08-1584R	North Douglas County Shrub-Steppe Restoration	Dept of Fish & Wildlife	249,812
08-1536R	John's River Restoration	Dept of Fish & Wildlife	250,000
08-1870R	Skagit Bay Riparian Enhancement	Dept of Fish & Wildlife	246,460
08-1397R	Chehalis River SP NAP Shoreline (Restoration) 2008	Dept of Natural Resources	60,000
08-1530R	Parke Creek Restoration	Dept of Fish & Wildlife	129,000
08-1537R	Silverspot Butterfly Enhancement	Dept of Fish & Wildlife	40,500
08-1527R	Beebe Springs Phase 3 Columbia River Restoration	Dept of Fish & Wildlife	250,000
08-1528R	Colockum Road Abandonment	Dept of Fish & Wildlife	90,094
08-1383R	Dabob Bay NAP Restoration Phase 1 (2008)	Dept of Natural Resources	19,122
08-1610R	Pogue Mountain Pre-commerical Thin	Dept of Fish & Wildlife	Alternate
08-1392R	Pole Creek Restoration (Hoh River Trust 2008)	Dept of Natural Resources	Alternate
08-1534R	Mt St Helens, Hoffstadt Creek	Dept of Fish & Wildlife	Alternate
08-1846R	Chehalis River Brazilian Elodea Eradication	Dept of Natural Resources	Alternate
08-1402R	Woodard Bay NRCA - Phase 1 (Restoration) 2008	Dept of Natural Resources	Alternate
08-1825R	Desert W.A. Cooperative Wetland Enhancement	Dept of Fish & Wildlife	Alternate
08-1529R	Sunnyside, Morgan Lake Restoration	Dept of Fish & Wildlife	Alternate
08-1533R	Vaux's Swift Chimney Habitat	Dept of Fish & Wildlife	Alternate
			2,619,000

Washington Wildlife and Recreation Program
LEAP Capital Document No. 2009-1a
2009-11 Capital Budget
Developed April 23, 2009

RCO #	Project Name	Project Sponsor	Funding Level
WWRP, Urban Wildlife Ranked List of Projects			
08-1334A	Antoine Peak Acquisition Phase 2	Spokane County Parks & Rec	1,674,450
08-1182A	Stavis NRCA / Kitsap Forest NAP 2008	Natural Resources Dept of	1,586,025
08-1187A	Woodard Bay NRCA 2008	Natural Resources Dept of	509,175
08-1335A	Antoine Peak Acquisition Phase 3	Spokane County Parks & Rec	-
08-1787A	Grand Ridge - Canyon Creek Acquisition	King County of	Alternate
08-1247A	Mud Lake/Lewis River	Clark County of	62,085
08-1512A	Lynch Cove Estuary	Fish & Wildlife Dept of	1,406,265
08-1181A	West Tiger Mt., Mount Si, and Rattlesnake Mt.	Natural Resources Dept of	Alternate
08-1366D	Audubon Birdloop, Phase II	King County DNR & Parks	Alternate
08-1591D	NW Stream Center Boardwalk Interpretive Trail	Snohomish County Parks Dept	Alternate
08-1511A	John's Creek Prairie and Estuary	Fish & Wildlife Dept of	Alternate
08-1423A	Judd Ck Watershed / Paradise Valley Preservation	King County DNR & Parks	Alternate
08-1478A	Quimper Wildlife Corridor	Port Townsend City of	Alternate
08-1429A	North Kitsap Heritage Park-Phase 2	Kitsap County Parks and Rec	Alternate
08-1061D	Oakland Bay County Park Development	Mason County	Alternate
			5,238,000
WWRP, Farmland Preservation Ranked List of Projects			
08-1804A	Smith Farm	Skagit County of	319,455
08-1238A	Nelson Ranch Farmland	Okanogan County of	616,050
08-1860A	Ebey's Reserve Farmland - Engle II	Island County of	672,500
08-1638A	Whatcom PDR 2008	Whatcom County of	379,750
08-1362A	Black River Ranch	Thurston County Parks & Rec	1,096,580
08-1153A	Finnriver Farm	Jefferson County of	207,500
08-1373A	Lower Methow Farmland	Okanogan County of	395,908
08-1324A	Wade Road Farm	Kittitas County of	175,500
08-1323A	Triple Creek Ranch 2008	Kittitas County of	650,425
08-1111A	Peoples Ranch 2nd Acquisition	Snohomish County of	343,210
08-1288A	Finn Hall Farm	Clallam County of	868,075
08-1214C	Brown Dairy	Jefferson County of	95,047
08-1281A	Lopez Island Farmland	San Juan County Land Bank	Alternate
08-1289A	West Farm	Pierce County of	Alternate
			5,820,000
WWRP, Riparian Protection Ranked List of Projects			
08-1627A	Kiket Island Riparian Acquisition	State Parks	2,000,000
08-1330A	Harstine Island - Scott Acquisition	State Parks	2,550,250
08-1241A	Green River Acquisition	King County DNR & Parks	875,000
08-1356A	Dosewallips State Park Riparian Acquisition	State Parks	636,200
08-1188A	Woodard Bay NRCA Riparian 2008	Natural Resources Dept of	1,295,700
08-1157A	Chehalis River Surge Plain NAP Riparian 2008	Natural Resources Dept of	719,670
08-1520A	Black River Conservation Initiative - Riparian	Fish & Wildlife Dept of	920,180
08-1124A	Minter Creek Phase 1	Key Peninsula Metro Park Dist	120,000
08-1848C	Squak Valley Park Creekside Restoration	Issaquah City of	450,000
08-1183A	Stavis NRCA / Kitsap Forest NAP Riparian 2008	Natural Resources Dept of	133,000
08-1178A	Dabob Bay Natural Area Riparian	Natural Resources Dept of	Alternate

Washington Wildlife and Recreation Program
LEAP Capital Document No. 2009-1a
2009-11 Capital Budget
Developed April 23, 2009

RCO #	Project Name	Project Sponsor	Funding Level
	WWRP, Riparian Protection Ranked List of Projects (continued)		
08-1689A	Goldsborough Creek Acquisition	Mason County	Alternate
08-1513A	McLoughlin Falls	Fish & Wildlife Dept of	Alternate
08-1225A	Big Gulch Estuary	Mukilteo City of	Alternate
08-1514A	Mesa Lake	Fish & Wildlife Dept of	Alternate
08-1517A	Colville River Valley Riparian	Fish & Wildlife Dept of	Alternate
08-1905A	Glen Cove Riparian Area	State Parks	Alternate
08-1232A	Hoko River State Park - Warnock Acquisition	State Parks	Alternate
08-1803A	Livingston Bay Riparian & Nearshore Acquisition	Island County of	Alternate
08-1718A	Carpenter Riparian Corridor	Kitsap County Parks and Rec	Alternate
08-1108A	Beaverton Marsh Riparian Acquisition	San Juan County Land Bank	Alternate
08-1519A	Solduc Riparian	Fish & Wildlife Dept of	Alternate
08-1315A	McSorley Creek Wetland Acquisition	Kent City of	Alternate
08-1516A	Klickitat Steppe, Columbia Hills Phase 2	Fish & Wildlife Dept of	Alternate
08-1619A	Lake Stickney Riparian Protection/Acquisition	Snohomish County Parks Dept	Alternate
08-1515A	Lyre River	Fish & Wildlife Dept of	Alternate
08-2074A	Latah Creek Riparian Preservation	Spokane City of	Alternate
08-2073A	Johnson Creek Restoration	Skagit County Public Works	Alternate
08-1622A	Sandy Creek Restoration	Skagit County Public Works	Alternate
08-1650A	Lake Serene Riparian Protection/Acquisition	Snohomish County Parks Dept	Alternate
08-1207C	Doan Creek Restoration Phase 3	Walla Walla Co Cons Dist	Alternate
08-1632C	Red Creek Easement and Restoration	Skagit County Public Works	Alternate
			9,700,000

Trust Land Transfer
LEAP Capital Document No. 2009-2a
2009-11 Capital Budget
Developed April 23, 2009

Parcel Name	Receiving Agency
Transfers	
Pressentin Creek	Seattle City Light
South Marble 40	Seattle City Light
Columbia Falls	Department of Natural Resources-NAP
Dabob Bay	Department of Natural Resources-NAP / NRCA
Finney Creek	Seattle City Light
Middle Fork Snoqualmie	Department of Natural Resources-NRCA
Lummi Island	Department of Natural Resources-NRCA
Morning Star Remnants	Department of Natural Resources-NRCA
Olivine Ends	Seattle City Light
Rendsland Creek	Mason County / Department of Natural Resources-Aquatics
Woodland Campground	Clark County
Leases	
Morning Star Addition	Department of Natural Resources-NRCA
Spud Mountain	Clark County
Stavis	Department of Natural Resources-NRCA
Lake Easton	Department of Transportation / State Parks
Green River CC	Green River Community College
Kickerville East	Department of Fish and Wildlife
Trombetta Canyon	Department of Natural Resources-NAP
Newkirk	State Parks
Suncrest	Stevens County
Newell Place	Okanogan County
Tilley Road Wetlands	Department of Fish and Wildlife
Pearrygin	State Parks
Washougal River	Clark County
Eatonville 80's	Pierce County
Key Center	Key Peninsula Metropolitan Park District
Knights Lake	Spokane County
Green River West	King County
Stemilt	Department of Fish and Wildlife
West Paulsbo	Port of Poulsbo
Clinton Watershed	Clinton Water Dist
Odlin South	San Juan County
Spectacle Lake	Department of Fish and Wildlife
Issaquah Creek	King County

NAP = Natural Area Preserve

NRCA = Natural Resources Conservation Area

Aquatic Lands Enhancement Account (ALEA)

LEAP Capital Document No. 2009-3

2009-11 Capital Budget

Developed March 9, 2009

Project Name	Project Sponsor	Amount
State Parks	Lk Sammamish State Park: Sunset Beach Renovation 2	500,000
Whatcom County Parks & Rec	Lily Point Acq & Development	1,000,000
Ecology Dept of	Dutcher Cove Tidelands Acquisition	500,000
King Co Water & Land Res	Pt Heyer Drift Cell Preservation - Phase I ALEA	600,000
San Juan County Land Bank	Judd Cove Acquisition/Restoration/Development	650,000
Mount Vernon City of	Mount Vernon Riverfront North Trail	436,442
Fish & Wildlife Dept of	Beebe Springs Natural Area Phase 3 Development	500,000
Bainbridge Island Park Dist	Manzanita Bay Park II	838,558
State Parks	Ghost Forest Acquisitions	Alternate
Silverdale Port of	Silverdale Sailboat Storage Float ALEA	Alternate
Key Peninsula Metro Park Dist	Maple Hollow Renovation Phase 1	Alternate
Olympia Parks, Arts & Rec	Percival Landing Restoration	Alternate
Kennewick Port of	Clover Island Improvement Project	Alternate
Castle Rock City of	Riverfront Trail Extension	Alternate
King Co Water & Land Res	North Wind's Weir Intertidal Restoration #1 ALEA	Alternate
Cusick Town of	Cusick Park River Enhancement	Alternate
Island County Planning Dept.	Westside Camano Acquisition (Henry Hollow)	Alternate
Manchester Port of	Manchester Port Shoreline Restoration	Alternate
State Parks	Ike Kinswa ADA Pier and Non-Motorized Launch	Alternate
Silverdale Port of	Silverdale Wetlands Acquisition-Beach Restoration	Alternate
Skagit County Public Works	Cockreham Island Land Acquisition	Alternate
Allyn Port of	Allyn Waterfront Park Expansion ALEA	Alternate
Total		**5,025,000**

Temporary Public Works Grant Program
2009-11 Capital Budget

Project Name	Amount
Airway Heights Water Treatment Plant	1,000,000
Emergency Public Works Loans	2,000,000
Small Community Jobs - Competitive Grants	9,531,000
Small Community Jobs - Assistance for Grand Coulee School	500,000
Small Community Jobs - Camano Island County Park Development	300,000
Small Community Jobs - Connell Infrastructure	1,100,000
Small Community Jobs - Dayton School Biomass Heating System	100,000
Small Community Jobs - Grandview Downtown Revitalization	500,000
Small Community Jobs - Green Acres Neighborhood Park	200,000
Small Community Jobs - Hoh Tribe Fire Station	623,000
Small Community Jobs - Longview Elementary Safety Underpass	250,000
Small Community Jobs - Mesa Playground	35,000
Small Community Jobs - Pasco Commercial Avenue Construction	800,000
Small Community Jobs - Union Gap School Crossing Improvement	227,000
Small Community Jobs - Yakima Downtown Futures	1,000,000
Small Community Jobs - Yelm Longmire Park	400,000
Urban Vitality - Competitive Grants	9,531,000
Urban Vitality - Federal Way Urban Infrastructure	5,000,000
Urban Vitality - Infrastructure for Puyallup (Parametrix)	2,000,000
Urban Vitality - Percival Landing	3,000,000
Urban Vitality - Redmond Square Development	2,000,000
Urban Vitality - Renton Hawks Landing	1,700,000
Water - Gig Harbor Waste Water Treatment	2,500,000
Water - Pine Terrace Water Association Project	300,000
Total	**44,597,000**

Local and Community Projects
2009-11 Capital Budget

Project Name	Amount
7th St. Theater	330,000
ARC of Tri-Cities	900,000
Bellevue Clinic-Seattle Children's Hospital	2,000,000
Blessed Sacrament Food and Emergency Facilities Renovation	200,000
Children's Village Expansion Project	500,000
Clark County Food Distribution Facility	1,500,000
Coal Creek YMCA (Newcastle)	800,000
Dawson Place Child Advocacy Center	1,000,000
FWNLL Field Lighting Project and Monument Entry Sign	177,000
Harlequin Theater	235,000
Home Dialysis Center and Professional Workforce Training	250,000
Kirkland Park Place Redevelopment	2,000,000
Livingston Baker Fire and Life Safety	750,000
Marshland Diking District	500,000
Marysville Boys & Girls Club	500,000
McClure Middle School Energy Saving Performance Contracting Demonstration Project	1,000,000
Mountains to Sound Greenway	100,000
Mukelteo Boys and Girls Club	150,000
Neighborcare Health Clinic and Rainier Beach Medical Clinic	1,000,000
Parkland at Japanese Gulch	1,000,000
Petrovitsky Park Upgrade	750,000
Phoenix House	200,000
Poulsbo Marine Center	500,000
Public Broadcasting Frequency Expansion	223,000
Ready by Five Early Learning Center	1,000,000
Renovations to Mill Creek City Annex Building	30,000
Snohomish County Emergency Center	1,000,000
South Tacoma Community Center	1,000,000
Whatcom Hospice House	700,000
Zina Linnik	950,000
Total	**21,245,000**

Building Communities Fund
2009-11 Capital Budget

Project Name	Amount
A Home for Opportunity - CASA Latina	325,000
Building the New Eastside Clinic	1,900,000
Community Center for Sand Point Housing	350,000
Donald G. Topping HOPE Center - Boys & Girls Clubs of Puget Sound	1,934,250
Dove House (Domestic Violence/Sexual Assault Program of Jefferson Co.)	240,000
Duvall Multi-Service Center - Hopelink	617,985
Education and Training Center Mt. Baker Planned Parenthood	881,847
Emmanuel Family Life Center - Richard Allen Enterprises	400,594
Eritrean Community Center Expansion	300,000
Ferndale Boys & Girls Club	752,847
Giant Step - RRA	520,761
Greenbridge Early Learning Center	1,419,281
High Point Neighborhood Center	2,000,000
Highline YMCA	1,163,000
Milgard Work Opportunity Center - Tacoma Goodwill	1,850,000
Northeast Community Center Expansion	1,300,000
Pierce County Therapy Center	128,000
Rainier Vista & Rainier Valley Teen Center	2,400,000
Repurposing Daybreak Star	87,500
Riverwalk Point Community Building - Spokane Neighborhood Action Program	79,253
Rotary Support Center for Families	3,500,000
Safety & Systems Improvements at El Centro de la Raza	250,031
Technology Access Foundation Community Learning Space (CLS)	1,500,000
The Keller House Services Center	600,000
YMCA/YWCA Central Spokane Facility	3,500,000
Total	**28,000,349**

Building for the Arts
2009-11 Capital Budget

Project Name	Amount
Admiralty Theatre-No Theatre Left Behind	140,000
Artspace Everett Lofts	1,000,000
Building a Foundation for Discovery	250,000
Campus Consolidation (Cornish)	375,000
Convert Key Bank to Everett's Plaza Theatre	500,000
Cottage Renovation (Hedgebrook)	20,000
Downstairs at the 5th	800,000
Federal Way Performing Arts Center	325,000
Gateway Center (Lummi)	150,000
James Ctr for the Performing Arts (Sequim)	150,000
Langston Hughes Performing Arts Center	475,000
Legacy Project (Imagine)	200,000
Modular Classrooms for Dance (Gladish)	30,000
Mt. Baker Theatre	1,000,000
Museum Expansion (Maryhill)	1,500,000
New Hands On Children's Museum	1,000,000
Reconstruction of First Stage, Issaquah	400,000
Seattle Opera Center	650,000
Stage Two (Whidbey)	450,000
Vashon Arts Center	1,115,000
Visual Arts Education Center (Snohomish County)	1,000,000
Viva Vera Capital Campaign	70,000
Total	**11,600,000**

Youth Recreational Facilities Grants
2009-11 Capital Budget

Project Name	Amount
Allen Place	800,000
Auburn Boys & Girls Club	800,000
Central Kitsap Community Campus YMCA	800,000
Coal Creek Family YMCA	800,000
East Pierce County HOPE Center	800,000
Highline YMCA	800,000
Hough Pool Renovation	150,000
Jim Parsley Community Center	800,000
Kitsap Girl Scout Center	205,000
Naval Avenue Boys & Girls Club	80,000
Toutle River Ranch	360,000
West Sound Teen Center	305,000
YMCA Spokane Central	800,000
Total	**7,500,000**

Washington Heritage Project Grants
2009-11 Capital Budget

Project Name	Amount
Wenatchee Valley Museum & Cultural Center Rehabilitation	150,000
Rehabilitation of the West Point Light Station	300,000
Historic Field House Restoration in Des Moines	420,000
Rehabilitation of Historic Washington Hall	381,000
Percival Landing Renovation in Olympia	567,000
Historic City Hall & Library Rehabilitation in Roslyn	194,000
Spokane County Courthouse Historic Features Restoration	500,000
Historic Chapel Car #5 Restoration in Snoqualmie	125,000
Carnegie Library Museum Restoration Work in Edmonds	48,000
Construction of Museum Collections Storage in Ilwaco	41,000
Rehabilitation of Historic Minkler Mansion for Town Hall	200,000
Rehabilitation of Historic House for Museum in Cheney	87,000
Restoration of Historic Columbia Theatre in Longview	1,000,000
Restoration of Portion of Historic Chinook School	350,000
Restoration of Territorial Courthouse of 1858	167,000
Construction of Portion of Hanford Interpretive Center	147,000
Renovation of Carnegie Library for County Museum Use	883,000
Construction of Canopy for Historic Dynamite Train	50,000
Seismic Retrofitting of the Historic King Street Station	750,000
Converting Carriage House to Visitors' Center	110,000
Rehabilitation of Historic Lincoln School	175,000
Rehabilitation of Historic Pioneer Church in Quincy	195,000
Ezra Meeker Mansion Rehabilitation	100,000
Rehabilitation of Collections Storage in Port Townsend	450,000
Restoration of Historic Church Spire in Puyallup	17,000
Restoration of Morris House and Washington Harbor School	27,000
Permanent Exhibits at Port of Kalama	212,000
Rehabilitation-Foss Waterway Seaport Building in Tacoma	750,000
Rehabilitation of Pioneer State Bank Building	201,000
Restoration of Features of Historic Kirkman House	32,000
Restore Historic Sawmill Near Malo	70,000
Rehabilitate Features of the Stimson-Green Mansion	23,000
Restore National Landmark Lightship #83	335,000
Elevator Modernization in Masonic Temple Building	350,000
Construction of Town Centennial Monument in Wilkeson	10,000
Reconstruction of Eddon Boatyard Ways and Dock	243,000
Historic Vessel Commencement Restoration	86,000
Restoration of Historic Vessel Shenandoah	179,000
Stabilization of Historic Wait's Mill	75,000
Total	**10,000,000**

2009-11 Capital Budget
Chapter 497, Laws of 2009, Partial Veto (ESHB 1216)
New Appropriations
*** Includes Alternative Financed Projects**
(Dollars in Thousands)

	Debt Limit Bonds	Total
NEW PROJECTS		
Governmental Operations		
Department of Community, Trade, & Economic Develop		
Building Communities Fund Grants	28,001	28,001
Building for the Arts Grants	11,600	11,600
Community Development Block Grants	0	4,200
Community Economic Revitalization Board	0	6,253
Community Schools	5,000	5,000
Drinking Water State Revolving Fund Loan Program	0	39,201
Energy Freedom Program	0	38,500
Housing Assistance, Weatherization, and Affordable Housing	90,000	100,000
Innovation Partnership Zones	1,500	1,500
Job Development Fund Grants	0	3,000
Local and Community Projects	21,245	21,245
Renewable Farming	0	45
Temporary Public Works Grant Program	44,597	44,597
Weatherization	0	49,000
Youth Recreational Facilities Grants	7,500	7,500
Total	**209,443**	**359,642**
Office of Financial Management		
Graving Dock Settlement	280	280
Higher Education Preservation Information	300	300
Law Enforcement Academy Evaluation	100	100
Oversight of State Facilities	1,532	1,532
Total	**2,212**	**2,212**
Department of General Administration		
Disposal Plan for Downtown Olympia DFW Properties	100	100
Emergency Repairs	2,500	2,500
Engineering and Architectural Services: Staffing	9,300	9,300
Facility Oversight Program: Staffing	740	740
Heritage Center/Executive Office Building	2,200	3,200
Legislative Building Improvements	500	500
Minor Works Preservation	2,800	2,800
O'Brien Building Improvements	9,671	36,815
Powerhouse: Improvements and Preservation	1,459	1,459

Pro Arts Building	2,000	2,000
Total	**31,270**	**59,414**
Washington State Liquor Control Board		
Minor Works	0	315
Washington State Patrol		
Minor Works Projects	375	375
Military Department		
Emergency Repairs	100	200
Minor Works Preservation	1,709	4,778
Minor Works Program	0	679
Total	**1,809**	**5,657**
Department of Archaeology & Historic Preservation		
Courthouse Preservation	2,000	2,000
Historic Barn Preservation	300	300
Total	**2,300**	**2,300**
Department of Transportation		
Commute Trip Reduction for Thurston County State Agencies	0	734
Local Programs--Pgm Z-- West Vancouver Freight Access Project	0	700
Total	**0**	**1,434**
State Convention and Trade Center		
Convention Center Expansion Planning, Design, and Land	0	10,000
Minor Works Facility Preservation	0	5,000
Total	**0**	**15,000**
Total Governmental Operations	**247,409**	**446,349**
Human Services		
WA State Criminal Justice Training Commission		
Replace Hawthorne Hall Dormitory	16,745	16,745
School Mapping	500	500
Total	**17,245**	**17,245**
Department of Social and Health Services		
Capital Project Management: Staffing	1,250	1,250
Eastern State Hospital: Roof Replacements	1,085	1,085
Eastern State Hospital: Westlake Bldg Renovation	840	840
Echo Glen Children's Ctr: Portable Classroom Replacement	850	850
Emergency Repairs	1,000	1,000
Minor Works Preservation: Facilities Preservation	5,590	5,590
Minor Works Preservation: Health, Safety & Code Requirements	2,650	2,650
Minor Works Preservation: Infrastructure Preservation	2,320	2,320
Special Commitment Center: Utility Replacements	3,490	3,490
Western State Hospital: New Kitchen and Commissary Building	650	650

Western State Hospital: Roof Replacements	620	620
Western State Hospital: Traffic Study Implementation	355	355
Total	**20,700**	**20,700**
Department of Health		
Drinking Water Assistance Program	0	62,810
Greywater Rule Development	0	100
Minor Works - Facility Preservation	597	597
Public Health Laboratory: Addition Construction	8,165	8,165
Total	**8,762**	**71,672**
Department of Veterans' Affairs		
Emergency Repairs	300	300
Minor Works Facilities Preservation	500	500
Minor Works Program	115	115
Total	**915**	**915**
Department of Corrections		
Clallam Bay Corrections Ctr: Install Close Custody Slider Doors	2,160	2,160
Clallam Bay Corrections Ctr: Replace 5 Towers & Housing Roofs	3,000	3,000
Emergency Repairs	1,500	1,500
Monroe Corrections Complex: Close Sewer Lagoon	1,162	1,162
Monroe Corrections Complex: Water Line Replacements	1,809	1,809
Purchase or Build Work Release/Violator Beds	0	17,958
Statewide Minor Works: Facility Preservation	2,857	2,857
Statewide Minor Works: Health, Safety, Code	2,609	2,609
Statewide Minor Works: Infrastructure Preservation	1,446	1,446
Statewide Minor Works: Programmatic Projects	3,734	3,734
Washington Corrections Center: Regional Infrastructure	900	900
Washington Corrections Center: Replace Fire Detection/Suppression	1,098	1,098
Washington Corrections Ctr for Women: Replace Fire Alarm	1,625	1,625
Washington Corrections Ctr for Women: Roof Replacement	1,832	1,832
Total	**25,732**	**43,690**
Total Human Services	**73,354**	**154,222**
Natural Resources		
Department of Ecology		
Centennial Clean Water Program	30,000	30,000
Cleanup and Prevention of Waste Tire Piles	0	1,000
Coordinated Prevention Grants	10,000	10,000
Diesel Emissions Reduction	0	1,730
Habitat Mitigation	4,400	4,400
Kittitas Groundwater Study	700	700
Leaking Underground Tanks	0	3,500
Low-Level Nuclear Waste Disposal Trench Closure	0	9,000
Orphaned and Abandoned Site Cleanup Initiative	1,000	1,277
Padilla Bay Reserve Boat Garage	0	265

Protect Coastal Beaches in Southwest Washington	1,700	1,700
Protect Communities from Flood and Drought	15,000	15,000
Rebuild East Wall of Ecology Headquarters	0	11,000
Reducing Health Threats from Woodstove Pollution	1,000	1,000
Remedial Action Grant Program	37,700	37,700
Safe Soils Remediation Program	4,000	4,000
Skykomish Cleanup and Restoration	2,300	4,350
Stormwater Retrofit and Low-Impact Development Grant Program	3,000	4,609
Sunnyside Valley Irrigation District Water Conservation	2,850	2,850
Swift Creek Natural Asbestos Cleanup	1,000	1,000
Upper Columbia River Black Sand Beach Cleanup	3,000	3,000
Water Irrigation Efficiencies	1,000	1,000
Water Pollution Control Revolving Fund Program	0	178,700
Watershed Plan Implementation and Flow Achievement	6,000	6,000
Yakima River Basin Water Storage Feasibility Study	2,000	2,000
Total	**126,650**	**335,781**
State Parks and Recreation Commission		
Admirality Inlet Heritage Forest Acquisition	0	1,000
Cama Beach State Park Phase 2C Development	3,265	3,265
Clean Vessel Boating Pumpout Grants	0	3,465
Dash Point State Park: Sanitary Sewer Collection System Phase 2	3,820	3,820
Emergency Repairs	600	600
Facility & Infrastructure Backlog Reduction	1,500	1,500
Federal Grant Authority	0	990
Flaming Geyser State Park: Parkwide Infrastructure Redevelopment Constructic	3,533	3,533
Fort Worden State Park: Housing Areas Exterior Improvements	746	746
Illahee State Park: Wastewater Treatment Upgrade Phase 2 Construction	1,850	1,850
Kiket Island: Acquisition	0	8,000
Local Grant Authority	0	990
Minor Works - Preservation	6,930	6,930
Parkland Acquisition	0	3,000
Puget Sound Initiative	2,000	2,000
Rocky Reach State Park: Trail Development Phase 1	168	168
Trail Development	800	800
Twanoh State Park: Storm Water Improvements Design and Permit Phase, Phas	250	250
Total	**25,462**	**42,907**
Recreation and Conservation Funding Board		
Aquatic Lands Enhancement Account	5,025	5,025
Boating Improvement Grants	0	1,000
Family Forest Fish Passage Program	5,000	5,000
Firearms and Archery Range Recreation	0	495
Habitat Restoration Grants	0	3,000
Land and Water Conservation Fund	0	4,000
National Recreational Trails Program	0	4,000
Puget Sound Acquisition and Restoration	33,000	33,000

Puget Sound Estuary and Salmon Restoration Program	7,000	7,000
Salmon Recovery Funding Board Programs	10,000	70,000
Washington Wildlife Recreation Grants	70,000	70,000
Total	**130,025**	**202,520**
State Conservation Commission		
Conservation Reserve Enhancement Program	1,000	1,000
Livestock Nutrient Program	2,000	2,000
Practice Incentive Payment Loan Program	0	400
Total	**3,000**	**3,400**
Department of Fish and Wildlife		
Arlington Hatchery	0	200
Bebee Springs Phase 3	2,643	2,643
Grays River Hatchery Intake Replacement Design and Permitting	549	549
Migratory Waterfowl Habitat	0	550
Minor Works - Access Areas Preservation	408	408
Minor Works - Dam and Dike	943	943
Minor Works - Emergency Projects	750	750
Minor Works - Facility Preservation	677	677
Minor Works - Fish Passage Barrier Corrections	1,000	1,000
Minor Works - Health Safety and Code Requirements	1,000	1,000
Minor Works - Infrastructure Preservation	1,000	1,000
Minor Works - Programmatic	400	400
Minor Works - Road Maintenance and Abandonment Plan	1,000	1,000
Mitigation Projects and Dedicated Funding	0	29,000
Skamania Hatchery Intake Replacement Design and Permit	824	824
Skookumchuck Hatchery Renovation	3,728	3,728
Voights Creek Hatchery Phase 2	800	800
Washougal Hatchery Pond Renovation	1,236	1,236
Total	**16,958**	**46,708**
Department of Natural Resources		
Blanchard Mountain	1,500	1,500
Community and Technical College Trust Land Acquisition	0	200
Forest Legacy	0	9,000
Hazardous Fuels Reduction, Forest Health, and Ecosystem Improv	0	20,000
Land Acquisition Grants	0	6,000
Land Bank	0	25,000
Minor Works - Preservation	201	479
Minor Works - Programmatic	0	285
Natural Areas Facilities Preservation and Access	700	700
Natural Resources Real Property Replacement	0	50,000
Recreation Capital Renovations	816	816
Right-of-Way Acquisition	0	500
Riparian Open Space Program	500	500
Road Maintenance & Abandonment Projects	500	500
State Lands Maintenance	0	1,000

Statewide Aquatic Restoration Projects	300	300
Trust Land Transfer	100,133	100,133
Total	**104,650**	**216,913**
Department of Agriculture		
Fair Improvements	400	400
Total Natural Resources	**407,145**	**848,629**
Higher Education		
University of Washington		
Anderson Hall Renovation	200	200
House of Knowledge Longhouse	300	300
Interdisciplinary Academic Building	0	53,544
Minor Works - Facility Preservation	26,000	34,175
Minor Works - Program: 2009-11	0	5,000
Preventative Facility Maintenance and Building Systems	0	25,825
Safe Campus	0	8,000
UW Bothell Phase 3 - Predesign	5,000	5,000
UW Tacoma Phase 3	34,000	34,000
Total	**65,500**	**166,044**
Washington State University		
Global Animal Health Phase 1 Construct	0	6,200
Minor Works - Preservation	16,128	26,128
Minor Works Program	7,042	17,527
Preventative Facility Maintenance and Building Systems	0	10,115
Washington State University Pullman- Biomedical Sciences Facility	0	7,400
WSU Spokane - Riverpoint Biomedical and Health Sciences	4,340	4,340
WSU Vancouver - Applied Technology and Classroom Building	26,742	36,742
Total	**54,252**	**108,452**
Eastern Washington University		
Biology Chemistry Science Center	400	400
Minor Works - Facility Preservation	3,000	3,000
Minor Works - Health, Safety and Code Compliance	2,500	2,500
Minor Works - Infrastructure Preservation	500	1,500
Minor Works - Program	0	3,306
Patterson Hall Remodel	26,600	26,600
Preventive Maintenance and Building System Repairs	0	2,217
Riverpoint Center Acquisition	0	5,500
Total	**33,000**	**45,023**
Central Washington University		
Hogue Hall Renovation and Addition	27,265	27,265
Minor Works - Facility Preservation	2,610	2,610
Minor Works - Health, Safety, and Code Requirements	950	1,650
Minor Works - Infrastructure Preservation	690	2,740

Minor Works Program	2,000	3,181
Preventative Facility Maintenance and Building System Repairs	0	2,422
Science Building Phase 2	600	600
Total	**34,115**	**40,468**
The Evergreen State College		
Communications Laboratory Building Preservation and Renovation	1,821	1,821
Laboratory and Art Annex Building Renovation	4,849	4,849
Minor Works - Health, Safety, Code Compliance	2,515	2,515
Minor Works - Infrastructure	1,380	1,380
Minor Works Preservation	760	4,525
Minor Works Program	1,550	2,070
Preventative Facility Maintenance and Building System Repairs	0	760
Total	**12,875**	**17,920**
Western Washington University		
Miller Hall Renovation	54,625	54,625
Minor Works - Facilities Preservation	3,911	3,911
Minor Works - Health, Safety, and Code Requirements	2,572	2,572
Minor Works - Infrastructure	1,781	1,781
Minor Works - Program	5,248	8,248
Network Infrastructure/Switches	0	4,616
Preventative Facility Maintenance and Building System Repairs	0	3,614
Total	**68,137**	**79,367**
Community & Technical College System		
Bates Technical College: Mohler Communications Technology Center	1,755	1,755
Bellevue Community College: Health Science Building	4,350	4,350
Bellingham Technical College: Fisheries Program	2,000	2,000
Bellingham Technical College: Instructional Resource Center	0	30,358
Clark College: Health and Advanced Technologies Building	2,506	2,506
Columbia Basin College: Vocational Building	20,144	20,144
Edmonds Community College: Allied Health & Construction Industry	0	5,000
Everett Community College: Index Hall Replacement	2,301	2,301
Everett Community College: Infrastructure	2,061	2,061
Everett Community College: Student Fitness and Health Center	0	25,000
Facility Repairs "A"	16,728	18,535
Grays Harbor College: Science and Math Building	3,583	3,583
Green River Community College: Humanities and Classroom Building	0	26,532
Green River Community College: Kent Station Phase 2	0	20,000
Green River Community College: Science Math & Technology Building	1,700	1,700
Green River Community College: Trades and Industry Building	2,625	2,625
Lake Washington Technical College: Allied Health Building	25,986	25,986
Lower Columbia College: Health and Science Building	2,969	2,969
Minor Works - Preservation	15,116	15,116
Minor Works - Program	3,858	13,572
North Seattle Community College: Employment Resource Center	5,000	13,900
North Seattle Community College: Technology Bldg Renewal	2,976	2,976

Olympic College: Sophia Bremer Child Development Center	2,000	2,000
Peninsula College: Business and Humanities Center	33,627	33,627
Pierce College Fort Steilacoom: Cascade Core Phase II	15,000	15,000
Preventative Facility Maintenance and Building System Repairs	0	22,800
Roof Repairs "A"	8,493	8,493
Seattle Central Community College: Culinary Kitchen Modernization	378	378
Seattle Central Community College: Seattle Maritime Academy	2,839	2,839
Seattle Central Community College: Wood Construction Center	24,645	24,645
Site Repairs "A"	0	2,710
Skagit Valley College: Academic and Student Services Building	2,116	2,116
South Puget Sound Community College: Building 22 Renovation	10,002	10,002
Spokane Community College: Building 7 Renovation	9,748	9,748
Spokane Community College: Riverpoint One Acquisition	0	3,400
Spokane Community College: Technical Education Building	30,718	30,718
Spokane Falls Community College: Chemistry and Life Science Bldg	27,800	27,800
Spokane Falls Community College: Music Building 15 Renovation	13,806	13,806
Tacoma Community College: Health Careers Center	2,946	2,946
Tri-Cities STEM School	800	800
Walla Walla Community College Water and Environment Center	1,750	2,750
Walla Walla Community College: Land Acquisition	0	1,000
Wenatchee Valley College: Acquisition of Music and Art Center	0	2,700
Wenatchee Valley College: Music and Arts Center	2,000	2,000
Yakima Valley Community College: College/City Library	2,000	2,000
Yakima Valley Community College: Palmer Martin Building	1,464	1,464
Total	**307,790**	**468,711**
Total Higher Education	**575,669**	**925,985**
Other Education		
Public Schools		
2007-09 School Construction Asst. Grant Program	137,267	137,267
2009-11 School Construction Asst. Grant Program	369,920	689,733
Apple Awards	250	250
Capital Project Administration	0	3,337
Health, Safety and Small Repair Grants	20,000	20,000
North Central Technical Skills Center	0	4,007
Northeast King County Skills Center	0	9,049
Pierce County Skills Center	0	10,000
Tri-Tech Skills Center - Walla Walla Branch Campus	100	100
Vocational Skills Center Minor Capital Projects	0	3,694
Total	**527,537**	**877,437**
State School for the Blind		
Minor Works - Preservation	620	620
New Physical Education Center	100	100
Total	**720**	**720**

State School for the Deaf		
Minor Works - Preservation	820	820
Washington State Historical Society		
Minor Works - Preservation	1,402	1,402
Washington Heritage Project Capital Grants	10,000	10,000
Total	**11,402**	**11,402**
Eastern Washington State Historical Society		
Minor Works - Facility Preservation	534	534
Minor Works - Health, Safety, and Code Requirements	250	250
Minor Works - Program	298	298
Museum System Repair and Upgrades/Preservation	857	857
Total	**1,939**	**1,939**
Total Other Education	**542,418**	**892,318**
Projects Total	**1,845,995**	**3,267,503**
Statewide Total	**1,845,995**	**3,267,503**
Bond Capacity Adjustments	-5,409	
Total for Bond Capacity Purposes	**1,840,586**	

2007-09 Washington State Capital Budget

Appropriations Including Alternative Finance Projects

(Dollars in Thousands)

	Debt Limit Bonds	Total Funds
2007-09 Biennial Capital Budget [1]	**2,170,358**	**4,296,658**
2008 Supplemental Capital Budget [2]		
Total Appropriations	18,436	117,910
Governor Vetoes	-36	-186
Total 2008 Supplemental Capital Budget	**18,400**	**117,724**
Total Revised 2007-09 Capital Budget	**2,188,758**	**4,414,382**
2008 Capital Appropriations in Other Legislation [3]		
Chehalis River Basin Flood Hazard Mitigation Projects	50,000	50,000
Total Revised 2007-09 Biennium Capital Appropriations	**2,238,758**	**4,464,382**
2009 Supplemental Capital Budget [4]		
Total Appropriations	209,194	22,642
2009 Capital Appropriations in Other Legislation [5]		
School Construction Assistance Grant Program	130,000	0
Total Revised 2007-09 Biennium Capital Appropriations	**2,577,952**	**4,487,024**

[1] *2007-09 Capital Budget enacted as Chapter 520, Laws of 2007, Partial Veto (ESHB 1092). Includes impact of Governor vetoes.*

[2] *2008 Supplemental Capital Budget enacted as Chapter 328, Laws of 2008, Partial Veto (ESHB 2765). The amount shown for debt limit bonds differs from previous years to correctly exclude Fund 359 from the debt limit bond total.*

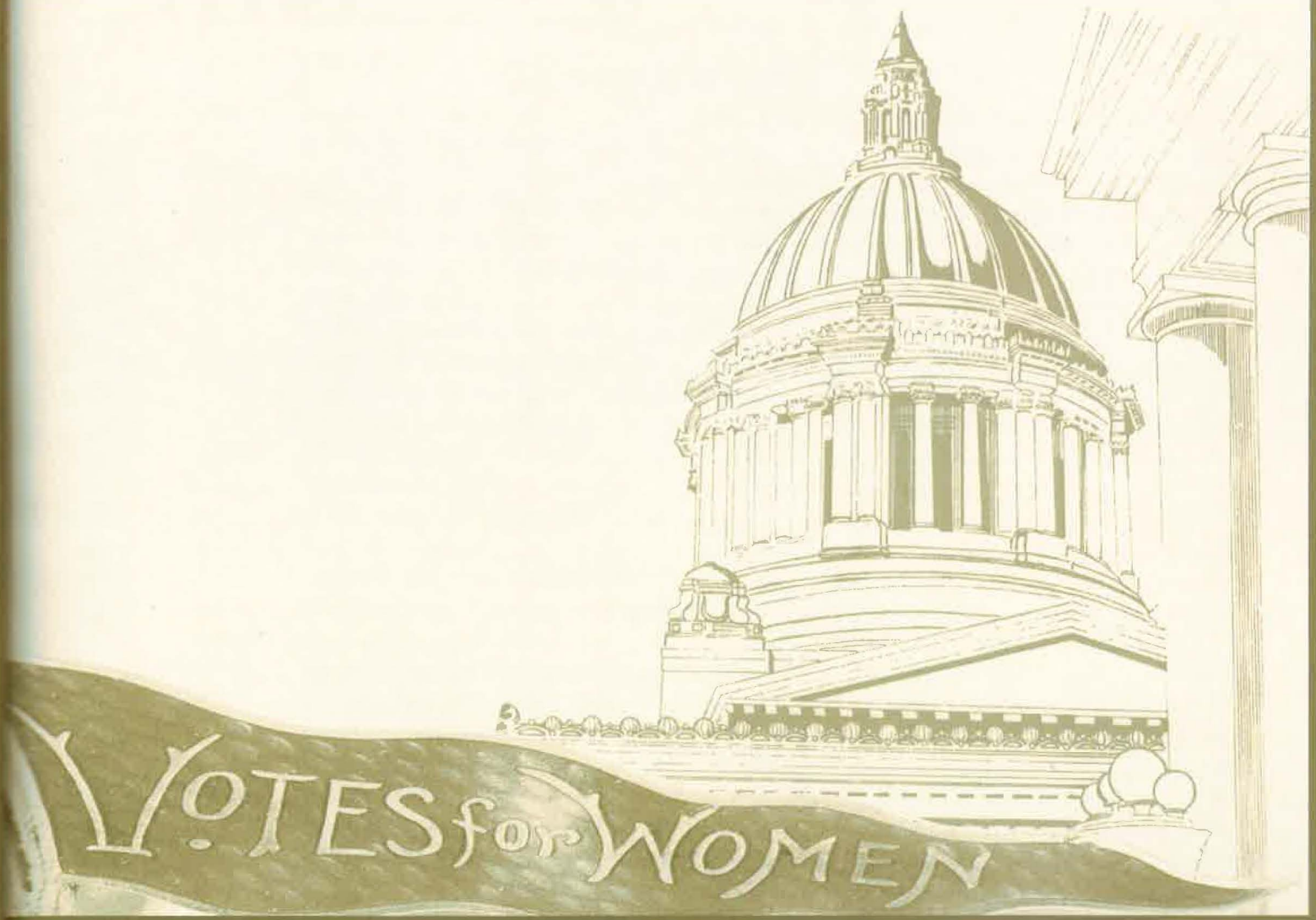
[3] *Chapter 180, Laws of 2008 (HB 3375).*

[4] *2009 Supplemental Capital Budget enacted as Chapter 497, Laws of 2009, Partial Veto (ESHB 1216).*

[5] *Chapter 6, Laws of 2009 (HB 1113).*

Section III: Index

61st Washington State Legislature



This Page Intentionally Left Blank

CONSUMER PROTECTION

ECONOMIC DEVELOPMENT

FINANCIAL INSTITUTIONS AND INSURANCE

FISCAL--APPROPRIATIONS

LAW AND JUSTICE--CIVIL LAW

LAW AND JUSTICE--COURTS

LAW AND JUSTICE--CRIMINAL LAW

LOCAL GOVERNMENT

NATURAL RESOURCES

PARKS & RECREATION

PUBLIC SAFETY

TECHNOLOGY & TELECOMMUNICATIONS

TRANSPORTATION

VETERANS

Bill Number to Session Law Table

INITIATIVES

INIT	1000	Death with Dignity Act	C	1	L 09	
INIT	1029	Long-Term Care Srvs/Elderly/Persons with Disabilities Act	C	2	L 09	

HOUSE BILLS

HB	1000	Extending State Route 397	C	184	L 09	
ESHB	1002	Certificate of discharge	C	288	L 09	PV
ESHB	1004	Energy efficiency code	C	501	L 09	
E2SHB	1007	Sustainable energy trust	C	65	L 09	
SHB	1010	Definition of a biofuel	C	132	L 09	
SHB	1011	Identification device use	C	66	L 09	PV
ESHB	1018	Special election dates	C	413	L 09	
2SHB	1021	Department of Health authority in hospitals	C	242	L 09	
SHB	1022	Statutory costs	C	240	L 09	
2SHB	1025	Higher education course materials	C	241	L 09	
HB	1030	Special Commitment Center	C	67	L 09	
ESHB	1033	Lead wheel weight alternatives	C	243	L 09	
HB	1034	Armory rental or lease	C	34	L 09	
SHB	1036	Military Justice Code	C	378	L 09	
SHB	1038	Specialized forest products	C	245	L 09	
SHB	1041	Occupational therapy medications	C	68	L 09	
HB	1042	Notices of dishonor	C	185	L 09	
HB	1048	Free public parking property	C	265	L 09	
EHB	1049	Veterans' relief	C	35	L 09	
HB	1050	Veterans' scoring criteria	C	248	L 09	
2SHB	1052	Firearm licenses for aliens	C	216	L 09	
EHB	1053	Raffle ticket price increase	C	133	L 09	
SHB	1055	Construction trade workers	C	36	L 09	
HB	1058	RCW editorial standards	C	186	L 09	
EHB	1059	Statute corrections	C	187	L 09	
SHB	1062	Electrolytic process tax exemptions	C	434	L 09	
HB	1063	Salmon and steelhead recovery	C	199	L 09	
HB	1066	Noncharter code cities	C	7	L 09	
SHB	1067	Limited Partnership Act	C	188	L 09	
HB	1068	Business Corporation Act	C	189	L 09	
SHB	1071	Nurse practitioners	C	217	L 09	
HB	1076	Victim input re: work release	C	69	L 09	
E2SHB	1078	Exchange facilitators	C	70	L 09	
2SHB	1081	Railroad crossing protection	C	435	L 09	
EHB	1087	Minority and women's business	C	348	L 09	PV
SHB	1103	Vulnerable adults' estates	C	525	L 09	
SHB	1110	Home-based instruction	C	190	L 09	
HB	1113	School construction grants	C	6	L 09	
SHB	1119	Nonprofit institution funds	C	436	L 09	
HB	1120	Uniform Law Commission	C	218	L 09	

HB	1121	State Flag Account	C	71	L 09	
ESHB	1123	Methicillin-resistant staph	C	244	L 09	
HB	1127	Credit and debit card information	C	382	L 09	
SHB	1128	Innovation partnership zones	C	72	L 09	
HB	1137	Christmas tree protections	C	349	L 09	
ESHB	1138	Retail store restroom access	C	438	L 09	
HB	1148	Protection of animals	C	439	L 09	
HB	1155	Special Education Program medical billing	C	73	L 09	
HB	1156	Alternative Route Program	C	192	L 09	
HB	1158	Electronic juror signatures	C	330	L 09	
HB	1166	Linked deposit program loans	C	384	L 09	
EHB	1167	Linked deposit program study	C	385	L 09	PV
SHB	1170	Parenting plan modification	C	502	L 09	
2SHB	1172	Development rights transfer	C	474	L 09	
HB	1184	Conservation project loans	C	416	L 09	
HB	1195	Undisputed claims payment	C	193	L 09	
HB	1196	Small works roster projects	C	74	L 09	
HB	1197	Alternative public works	C	75	L 09	
HB	1199	Public works funds retainage	C	219	L 09	
SHB	1201	Community Integration Program	C	319	L 09	
SHB	1202	Life insurance policy benefits	C	76	L 09	
SHB	1205	Court of Appeals judges	C	77	L 09	
E2SHB	1208	Property tax administration	C	350	L 09	
SHB	1215	Motor vehicle warranties	C	351	L 09	
ESHB	1216	Capital Budget 2009-2011	C	497	L 09	PV
HB	1217	Amusement game locations	C	78	L 09	
HB	1218	Contempt of court sanctions	C	37	L 09	
SHB	1221	Civil commitment witnesses	C	38	L 09	
SHB	1225	Transportation systems/fuel tax effect	C	352	L 09	
EHB	1227	RV's as primary residences	C	79	L 09	
HB	1238	Juvenile case records access	C	440	L 09	
SHB	1239	Dependency proceedings	C	526	L 09	
ESHB	1244	Operating budgets 2007-09 and 2009-11	C	564	L 09	PV
SHB	1254	Grain Commission	C	33	L 09	
HB	1257	Deferred prosecution files	C	135	L 09	
SHB	1261	Adult guardianship	C	81	L 09	
HB	1264	Public agency entities	C	202	L 09	
HB	1270	Electronic signatures/public assistance	C	201	L 09	
SHB	1271	Veterinary drugs	C	136	L 09	
ESHB	1272	State bonds and accounts	C	498	L 09	
HB	1273	Raffles by counties and cities	C	137	L 09	
SHB	1280	Explosives license expiration	C	39	L 09	
HB	1281	Victim and witness rights	C	138	L 09	
SHB	1283	Public water supply operators	C	221	L 09	
SHB	1286	Candidates for public office	C	222	L 09	
HB	1287	Intrastate commuter aircraft	C	503	L 09	
HB	1288	Home school declaration	C	191	L 09	
2SHB	1290	Local tourism promotion	C	442	L 09	
SHB	1291	Library district annexations	C	40	L 09	

SHB	1292	180-day school year waivers	C	543	L 09
HB	1295	Annexing agriculture fair areas	C	402	L 09
SHB	1300	Mental health information	C	320	L 09
SHB	1303	Child mortality reviews	C	134	L 09
SHB	1308	Organ transplants	C	82	L 09
SHB	1309	Dental hygiene	C	321	L 09
EHB	1311	Reverse mortgage lending	C	149	L 09
SHB	1319	School district employee ethics	C	224	L 09
HB	1322	School scoliosis screening	C	41	L 09
SHB	1323	Workforce and economic development	C	151	L 09
HB	1324	Peace officer psych exams	C	139	L 09
ESHB	1326	Pacific sardines	C	331	L 09
SHB	1328	Associate transfer degrees	C	64	L 09
SHB	1332	Watershed management partnerships	C	504	L 09
HB	1338	Good cause for late filing	C	83	L 09
HB	1339	Employer contribution rates	C	225	L 09
SHB	1347	Financial education	C	443	L 09
ESHB	1349	Less restrictive treatment	C	323	L 09
2SHB	1355	Opportunity Internship Program	C	238	L 09
HB	1361	Supervised community options	C	227	L 09
ESHB	1362	Vehicles/prostitution	C	387	L 09
HB	1366	Boilers and pressure vessels	C	90	L 09
2SHB	1373	Children's mental health	C	388	L 09
HB	1375	Foster care citizen boards	C	152	L 09
ESHB	1379	Shoreline Management Act/moratoria	C	444	L 09
HB	1380	Lease w/option to purchase	C	153	L 09
EHB	1385	School employee sexual misconduct	C	324	L 09
SHB	1388	Pipeline safety fees	C	91	L 09
HB	1394	Workforce training and education	C	92	L 09
HB	1395	Workforce and economic development	C	353	L 09
SHB	1397	Nurse authority delegation	C	203	L 09
ESHB	1401	Standard health questionnaire	C	42	L 09
SHB	1402	Industrial insurance appeals	C	391	L 09
SHB	1413	Water discharge fees	C	249	L 09
SHB	1414	Health care assistants	C	43	L 09
SHB	1415	Wine at the Legislative Gift Center	C	228	L 09
SHB	1419	Sexually aggressive youth	C	250	L 09
SHB	1420	Real estate sellers	C	505	L 09
HB	1426	Use of certified mail	C	251	L 09
HB	1433	Damages to state property	C	393	L 09
SHB	1435	Cigarette and tobacco licenses	C	154	L 09
HB	1437	Fish and Wildlife chaplain	C	204	L 09
ESHB	1441	Malt beverage distribution and production	C	155	L 09
ESHB	1445	Domestic partners/WSPRS	C	522	L 09
HB	1448	Tribal reservation speed limits	C	383	L 09
EHB	1461	County employee pay periods	C	239	L 09
EHB	1464	Affordable housing incentive	C	80	L 09
HB	1474	Border county higher education project	C	158	L 09
HB	1475	Agency rule-making information	C	93	L 09

HB	1478	Deployed military personnel	C	159	L 09	
2SHB	1481	Electric vehicles	C	459	L 09	
2SHB	1484	Habitat open space	C	354	L 09	PV
HB	1487	Resident students	C	220	L 09	
HB	1492	Independent youth housing	C	148	L 09	
HB	1498	Involuntary commitment/firearms	C	293	L 09	
SHB	1505	Sexually exploited juveniles	C	252	L 09	
HB	1506	Firefighter survivor benefits	C	156	L 09	
SHB	1510	Birth certificates	C	44	L 09	
ESHB	1512	Rail freight service funding	C	160	L 09	
EHB	1513	Water and sewer facilities	C	230	L 09	
HB	1515	Electronic records approval	C	231	L 09	
ESHB	1516	Dungeness crab fishery gear	C	355	L 09	
HB	1517	Restoration of right to vote	C	325	L 09	
SHB	1518	Accountancy practices	FULL VETO			
2SHB	1522	Electronic product repair and reuse	C	285	L 09	
HB	1527	Boarding home Medicaid rates	FULL VETO			
SHB	1529	Telemedicine	C	326	L 09	
EHB	1530	Asset Protection Waiver Act	C	334	L 09	
SHB	1532	Reclaimed water systems	C	253	L 09	
HB	1536	Household goods carriers	C	94	L 09	
HB	1548	Military service credit	C	205	L 09	
HB	1551	Survivor benefits	C	226	L 09	
SHB	1552	Rule-making hearings access	C	336	L 09	
ESHB	1553	Damages claims against government	C	433	L 09	
SHB	1555	Underground economy/construction	C	432	L 09	
HB	1562	Graduating without certificate	C	17	L 09	
SHB	1565	Business continuity plans	C	150	L 09	
EHB	1566	Insurance Commissioner	C	335	L 09	
HB	1567	Insurance	C	161	L 09	
EHB	1568	Persons selling insurance	C	162	L 09	
HB	1569	Local Public Works Fund	C	45	L 09	
ESHB	1571	Water rights adjudication	C	332	L 09	
HB	1578	Air pollution control authority	C	254	L 09	
HB	1579	Nonprofit legal services	C	508	L 09	
2SHB	1580	Pilot Local Water Management Program	C	183	L 09	
SHB	1583	County auditors	C	337	L 09	
HB	1589	Conditional release orders	C	322	L 09	
SHB	1592	Registering with the Secretary of State	C	437	L 09	
HB	1596	Woman's right to breastfeed	C	164	L 09	
EHB	1616	Domestic partner pensions	C	523	L 09	
ESHB	1619	School capital projects	C	460	L 09	
SHB	1621	Consumer loan companies	C	120	L 09	
HB	1640	University of Washington Consolidated Endowment Fund	C	394	L 09	
SHB	1663	Relocation assistance rights	C	165	L 09	
ESHB	1664	Motorsport franchise agreements	C	232	L 09	
HB	1675	Alternative Route Program	C	166	L 09	
HB	1678	LEOFF Plan 2/disabled	C	95	L 09	
HB	1682	Horticultural pest and disease boards	C	96	L 09	

SHB	1692	Public Facilities District Board	C	167	L 09	
ESHB	1694	Fiscal matters 2007-2009	C	4	L 09	
E2SHB	1701	Department of Information Systems	C	509	L 09	
ESHB	1709	Small loan default risk	C	510	L 09	
HB	1717	Milwaukee Road Corridor	C	338	L 09	
SHB	1730	Regulatory assistance office	C	97	L 09	
SHB	1733	Current use valuation programs	C	255	L 09	
SHB	1740	Dentistry license issuance	C	327	L 09	
ESHB	1741	School employees dismissal	C	396	L 09	
SHB	1749	Mortgage broker practices	C	528	L 09	
SHB	1751	Rural county public facilities	C	511	L 09	
SHB	1758	High school diplomas/options	C	524	L 09	
SHB	1765	Impaired Physician Program	C	98	L 09	
SHB	1769	Housing and dependency matters	C	397	L 09	
SHB	1778	Fish and Wildlife Title 77 RCW	C	333	L 09	PV
ESHB	1782	Dependency matters/parents	C	477	L 09	
HB	1789	Offender release dates	C	399	L 09	
HB	1790	Domestic violence court orders	C	400	L 09	
SHB	1791	Alternative sentencing	C	389	L 09	
ESHB	1792	Search and arrest authority	C	390	L 09	
SHB	1793	Alternative student transportation	C	392	L 09	
ESHB	1794	Calculating child support	C	84	L 09	
SHB	1808	Paramedic and nursing training	C	168	L 09	
SHB	1812	Wine labels	C	404	L 09	
EHB	1815	Property Tax Open Space Program	C	513	L 09	
SHB	1816	Wireless phone numbers	C	401	L 09	
EHB	1824	Concussion management/youth sports	C	475	L 09	
SHB	1825	Growth Management Act	C	121	L 09	
HB	1826	Foreclosure sales	C	122	L 09	
HB	1835	Respectful language/statutes	C	377	L 09	
SHB	1843	Motor carrier regulation	C	46	L 09	
HB	1844	Department of Licensing employees	C	169	L 09	
SHB	1845	Medical support obligations	C	476	L 09	
ESHB	1847	Bid limits	C	229	L 09	
HB	1852	Fingerprint record checks	C	170	L 09	
SHB	1856	Tenants who are victims	C	395	L 09	
SHB	1869	Health care cost information	C	529	L 09	
HB	1878	State schools for blind and deaf	C	47	L 09	
E2SHB	1879	Deaf and hard of hearing	C	381	L 09	
HB	1888	Mobile homes titling	C	233	L 09	
2SHB	1899	Retired active physician license	C	403	L 09	
ESHB	1906	Unemployment compensation	C	3	L 09	
SHB	1919	Drug court funding	C	445	L 09	
ESHB	1926	Hospice agency exemption	C	89	L 09	
E2SHB	1935	Adult family homes	C	530	L 09	
2SHB	1938	Postadoption sibling contact	C	234	L 09	
ESHB	1939	Vehicle documentary fees	C	123	L 09	
SHB	1943	Early Learning Workforce	C	406	L 09	
2SHB	1946	Higher education online technology	C	407	L 09	

2SHB	1951	Salmonid hatcheries	C	340	L 09	
SHB	1953	Fish and wildlife officers	C	157	L 09	
ESHB	1954	Sealing juvenile records	C	236	L 09	
SHB	1957	Wildlife and Recreation Program	C	341	L 09	
ESHB	1959	Marine container ports	C	514	L 09	
E2SHB	1961	Increasing Adoptions Act	C	235	L 09	
EHB	1967	One hundred-year floodplains	C	342	L 09	
ESHB	1978	Economic stimulus transportation funding	C	8	L 09	
SHB	1984	Vehicle air conditioning	C	256	L 09	
EHB	1986	Peer Mentoring Pilot Program	C	446	L 09	
HB	1997	Puget Sound science research	C	99	L 09	
SHB	2003	Professional Educator Standards Board	C	531	L 09	
SHB	2013	Self-service storage insurance	C	119	L 09	
HB	2014	Prescription pads	C	328	L 09	
E2SHB	2021	Student financial aid	C	215	L 09	PV
HB	2025	Health care information sharing	C	398	L 09	
ESHB	2035	Sex offender e-mail address	C	532	L 09	
EHB	2040	Beer and Wine Regulation Commission	C	506	L 09	
SHB	2042	Motion picture competitiveness	C	100	L 09	
ESHB	2049	Exempt employment practices	C	534	L 09	
SHB	2052	Health insurance partnership	C	257	L 09	
SHB	2061	Public Deposit Protection Commission	C	9	L 09	
SHB	2071	Parents of needy families	C	85	L 09	PV
ESHB	2072	Special transportation needs	C	515	L 09	PV
ESHB	2075	Excise taxation	C	535	L 09	
E2SHB	2078	Developmental disabilities	C	447	L 09	
SHB	2079	Health professional licensing information	C	343	L 09	
SHB	2095	Driver training schools	C	101	L 09	
ESHB	2105	Diagnostic imaging services	C	258	L 09	
2SHB	2106	Child welfare system	C	520	L 09	PV
2SHB	2119	Dual credit opportunities	C	450	L 09	
EHB	2122	Newspaper industry B&O tax	C	461	L 09	
ESHB	2125	Community preservation	C	516	L 09	
ESHB	2126	Cemetery and funeral directors boards	C	102	L 09	
ESHB	2128	Children's health coverage	C	463	L 09	PV
HB	2129	Greenhouse gas emissions	C	448	L 09	PV
HB	2132	Instruction in civics	C	223	L 09	
HB	2146	Water or sewer facilities	C	344	L 09	
SHB	2157	Salmon recovery	C	345	L 09	
SHB	2160	Wellness incentives	C	329	L 09	
HB	2165	Forest biomass energy project	C	163	L 09	
EHB	2194	Offender medical placement	C	441	L 09	
HB	2199	Shifts in shoreline location	C	405	L 09	
HB	2206	OASI Fund and Account	C	171	L 09	
SHB	2208	Motorsports vehicle dealers	C	517	L 09	
ESHB	2211	State Route 520 corridor tolls	C	472	L 09	
SHB	2214	Airport transportation	C	124	L 09	
ESHB	2222	Storm water discharge permits	C	449	L 09	
SHB	2223	Agribusiness vehicle drivers	C	339	L 09	

E2SHB	2227	Evergreen Jobs Act	C	536	L 09	PV
EHB	2242	Department of Commerce	C	565	L 09	PV
ESHB	2245	PEBB eligibility	C	537	L 09	
ESHB	2254	Colleges and construction	C	499	L 09	
ESHB	2261	State's education system	C	548	L 09	PV
EHB	2279	First degree child assault	C	214	L 09	
EHB	2285	Local improvement districts	C	237	L 09	
SHB	2287	State agency paper use	C	356	L 09	
ESHB	2289	Energy Freedom Program	C	451	L 09	
EHB	2299	Public facilities districts	C	533	L 09	
HB	2313	Farm vehicle permits	C	452	L 09	
ESHB	2327	State agency reports	C	518	L 09	PV
HB	2328	State government administrative costs	C	294	L 09	
HB	2331	Homeless services document fee	C	462	L 09	
SHB	2339	State parks system donation	C	512	L 09	
SHB	2341	Basic Health Plan Program	C	568	L 09	
SHB	2343	Education program savings	C	539	L 09	
ESHB	2344	Resident undergraduate tuition	C	540	L 09	
SHB	2346	Crisis residential centers	C	569	L 09	
HB	2347	Review of support payments	C	527	L 09	
HB	2349	Hospital adjustments	C	538	L 09	
SHB	2356	Student Achievement Fund	C	541	L 09	
EHB	2357	Nursing facilities/Medicaid	C	570	L 09	
EHB	2358	Liquor license fees	C	507	L 09	
HB	2359	Long-term care workers	C	478	L 09	
SHB	2361	In-home care/state payments	C	571	L 09	
SHB	2362	Judicial branch agencies	C	572	L 09	
SHB	2363	Educational employees	C	573	L 09	

SENATE BILLS

SSB	5001	Indian Scholarship Program	C	259	L 09	
SB	5008	Hunting licenses/military	C	269	L 09	
SSB	5009	Experience rating accounts	C	50	L 09	
ESSB	5011	Novelty lighters	C	273	L 09	
SSB	5012	Missing persons recovery	C	20	L 09	
ESB	5013	County clerks	C	417	L 09	
SB	5015	Foster parent licensing	C	206	L 09	
SB	5017	Inactive voter ballots	C	103	L 09	
SB	5028	Jurisdictional transfers	C	260	L 09	
SSB	5030	Militia	C	21	L 09	
SSB	5035	Veterans' access to services	C	22	L 09	
SB	5038	Gender-based terms	C	549	L 09	PV
SSB	5040	Gambling under age 18	C	357	L 09	
SSB	5042	Small business paperwork	C	358	L 09	
SSB	5043	Student college information portal	C	23	L 09	
SSB	5044	State Work-Study Program	C	172	L 09	
2SSB	5045	Community revitalization	C	270	L 09	

SSB	5055	Utilities & Transportation Commission proceedings/customers...	C	24	L 09	
SSB	5056	Violent injury reporting	C	359	L 09	
SB	5060	Manufactured wine and beer use	C	360	L 09	
SB	5071	Olympic marmot	C	464	L 09	
ESSB	5073	Consolidating Accounts/General Fund	C	479	L 09	
SB	5102	Benton County District Court judges	C	86	L 09	
SB	5107	Energy overlay zones	C	419	L 09	
ESSB	5110	Serving wine and beer	C	361	L 09	
SSB	5117	Intensive behavior support	C	194	L 09	
SB	5120	Agricultural structures	C	362	L 09	
SB	5125	Horse Racing Commission/Account	C	87	L 09	
SSB	5130	Prisoner public records access	C	10	L 09	
SSB	5131	Crisis referral services	C	19	L 09	
ESB	5135	King County District Court judges	C	26	L 09	
SSB	5136	Solar energy panel use	C	51	L 09	
SB	5147	Criminal libel statutes	C	88	L 09	
SSB	5151	Court commissioners	C	140	L 09	
SB	5153	Money Judgments Recognition Act	C	363	L 09	
SB	5156	Washington peace officers	C	25	L 09	
SSB	5160	Service of seizure notice	C	364	L 09	
SB	5164	Check cashers and sellers	C	13	L 09	
SSB	5166	Failure to pay child support	C	408	L 09	
SSB	5171	Principal and Income Act	C	365	L 09	
SSB	5172	University of Washington Human Rights Center	C	465	L 09	
SB	5173	Honorary doctorate degrees	C	295	L 09	
SSB	5177	Global Asia institute	C	466	L 09	
SB	5180	Public transit vehicle stops	C	274	L 09	
SB	5184	Digital forensic crime lab	C	27	L 09	
SSB	5190	Community custody provisions	C	28	L 09	
SSB	5195	Life Settlements Model Act	C	104	L 09	
SSB	5199	Public water supply operators	C	367	L 09	PV
SB	5221	Distressed property conveyance	C	15	L 09	
ESSB	5228	Construction/county forces	C	29	L 09	
SSB	5229	Legislative Youth Advisory Council	C	410	L 09	
SB	5233	County elected officials	C	105	L 09	
ESSB	5238	Retirement systems mailings	C	30	L 09	
SSB	5248	Military children	C	380	L 09	
SSB	5252	Correctional facilities medications management	C	411	L 09	
SSB	5261	Unified Sex Offender Program	C	31	L 09	
ESSB	5262	Driver license photo access	C	366	L 09	
ESSB	5263	Electric shock devices/schools	C	453	L 09	
SSB	5267	Joint operating agencies and PUD's	C	173	L 09	
SSB	5268	Fish and wildlife equipment	C	368	L 09	
SSB	5270	Voter registration	C	369	L 09	
SSB	5271	Candidate filing	C	106	L 09	

SSB	5273	Landscape architecture	C	370	L 09	
SSB	5276	University engineering programs	C	207	L 09	
SB	5277	District Court Clerk fees	C	372	L 09	
SB	5284	Truth in music advertising	C	109	L 09	
SSB	5285	Guardians ad litem	C	480	L 09	
SSB	5286	Exemptions from WorkFirst	FULL VETO			
ESSB	5288	Supervision of offenders	C	375	L 09	PV
SB	5289	Scenic system ferry routes	C	277	L 09	
SSB	5290	Gas or electrical company discounts	C	32	L 09	
SB	5298	Natural resource infractions	C	174	L 09	
SB	5303	From PERS 2 to SERS 2	C	209	L 09	
SB	5305	Obsolete retirement statutes	C	110	L 09	
SB	5315	Survivor annuity option	C	111	L 09	
SSB	5318	Newborn transfer locations	C	290	L 09	PV
ESSB	5321	Local and state sales and use tax	C	550	L 09	
SB	5322	Sheriffs' offices	C	112	L 09	
SSB	5326	Juvenile sex offender notice	C	210	L 09	
SSB	5327	Election provisions	C	107	L 09	
SSB	5340	Tobacco product mail order	C	278	L 09	
SSB	5343	CPA's and enrolled agents	C	113	L 09	
ESSB	5344	Emergency towing vessels	C	11	L 09	
2SSB	5346	Health care administrative procedures	C	298	L 09	
SB	5348	Mitigation banking project	C	16	L 09	
SSB	5350	Poultry slaughter and sale	C	114	L 09	
ESSB	5352	Transportation Budget 2009-11	C	470	L 09	PV
SB	5354	Hospital capital facility areas	C	481	L 09	
SB	5355	Rural county library districts	C	306	L 09	
SB	5356	Direct retail endorsements	C	195	L 09	
SB	5359	Identifying marks on ballots	C	414	L 09	
SSB	5360	Community Health Grant Program	C	299	L 09	PV
SSB	5367	Spirits, beer and wine license	C	271	L 09	
SSB	5368	Annual property valuation	C	308	L 09	
SSB	5369	Counseling professions	C	52	L 09	
SSB	5380	Statute of limitations	C	53	L 09	
SSB	5388	Car dealer damage disclosure	C	49	L 09	
SSB	5391	Tattooing/body art and piercing	C	412	L 09	
SSB	5401	Habitat open space	C	246	L 09	
SSB	5402	Preventing animal cruelty	C	287	L 09	
SSB	5410	Online learning	C	542	L 09	
SB	5413	Assaulting a law enforcement officer	C	141	L 09	
ESSB	5414	Assessments and curricula	C	310	L 09	PV
SSB	5417	Flood insurance coverage	C	14	L 09	
ESSB	5421	Salmon and steelhead stamps	C	420	L 09	
ESB	5423	Critical access hospitals	C	54	L 09	
SB	5426	Fire protection district annexing	C	115	L 09	

SSB	5431	Subsequent foster home placements	C	482	L 09	
2SSB	5433	Local option tax provisions	C	551	L 09	PV
SSB	5434	Accountancy practices	C	116	L 09	
SSB	5436	Direct practices payment	C	552	L 09	PV
ESSB	5437	Conservation Commission	C	55	L 09	
SB	5452	Debt limit/Housing Finance Commission	C	291	L 09	
ESSB	5460	Administrative costs/state government	C	5	L 09	
SSB	5461	Condominium associations	C	307	L 09	
SSB	5468	Nonprofit housing organizations	C	311	L 09	
SSB	5469	Intermediate vehicle license	C	125	L 09	
SB	5470	Low-income senior housing	C	483	L 09	
ESSB	5473	Projects/statewide significance	C	421	L 09	
SSB	5480	Washington health care discount plan	C	175	L 09	
SSB	5481	Veterans' burials	C	56	L 09	
SB	5482	2- and 3-wheeled vehicles	C	275	L 09	
SB	5487	Employee contract nonrenewal	C	57	L 09	
SB	5492	Site certificate employees	C	126	L 09	
SSB	5499	Department of Transportation highway contract bonds	C	473	L 09	PV
SSB	5501	Secure health information exchange	C	300	L 09	
SSB	5504	Reclaimed water permitting	C	456	L 09	
SSB	5509	Rental car companies	C	346	L 09	
SSB	5510	Dependency matters	C	484	L 09	
SB	5511	City-county assistance accounts	C	127	L 09	
ESSB	5513	Unlawful transit conduct	C	279	L 09	
SB	5525	State institutions/release	C	455	L 09	PV
SSB	5531	Consumer Protection Act	C	371	L 09	
SSB	5537	Statutory debt limit	C	500	L 09	
SSB	5539	County investment expenses	C	553	L 09	
SB	5540	High capacity transportation service	C	280	L 09	
SB	5542	LEOFF plan 2/disabled	FULL VETO			
SB	5547	Care provider respite care	C	312	L 09	
SSB	5551	Elementary student recess periods	C	182	L 09	
SB	5554	Job Skills Program	C	554	L 09	
SSB	5556	Photo enforcement system	C	272	L 09	
E2SSB	5560	Agency climate leadership	C	519	L 09	PV
SSB	5561	Carbon monoxide alarms	C	313	L 09	
SB	5562	Active forestry operations	C	200	L 09	
SSB	5565	Solid fuel burning devices	C	282	L 09	
SSB	5566	Excise and sales and use taxes	C	289	L 09	
SB	5568	Tax collection tools	C	309	L 09	
SSB	5571	Electronic methods/Revenue Department	C	176	L 09	
SSB	5574	Consumer data in vehicles	C	485	L 09	
SB	5580	School impact fees	C	263	L 09	
ESB	5581	Sunscreening devices	C	142	L 09	
ESSB	5583	Water bank provisions	C	283	L 09	

SB	5587	Heavy rail short lines	C	211	L 09	
ESSB	5595	Motor vehicle franchises	C	12	L 09	
SB	5599	Electing U.S. President by popular vote	C	264	L 09	
ESSB	5601	Speech-language pathology	C	301	L 09	
SSB	5608	Genetic counselors	C	302	L 09	PV
SSB	5610	Driving record abstracts	C	276	L 09	
SSB	5613	L&I stop work orders	C	196	L 09	
SSB	5616	Business customized training	C	296	L 09	
SB	5629	Pregnancy prevention programs	C	303	L 09	
SB	5642	State Route 164	C	262	L 09	
E2SSB	5649	Energy efficiency/buildings	C	379	L 09	PV
ESSB	5651	Dog breeding practices	C	286	L 09	
SSB	5665	Affordable housing entities	C	314	L 09	
ESSB	5671	Suitability of annuities	C	18	L 09	
SB	5673	Certificates of need	C	315	L 09	
2SSB	5676	Middle school student technical education	C	212	L 09	
SSB	5677	Dairy Nutrient Management Program	C	143	L 09	
SB	5680	Nonprofit organizations	C	58	L 09	
SSB	5684	Highway construction	C	471	L 09	
E2SSB	5688	Registered domestic partners	C	521	L 09	
SB	5695	State Patrol/donations	C	108	L 09	
SB	5699	Public guardianship office	C	117	L 09	
SSB	5705	Special district voting rights	C	144	L 09	
SSB	5718	Sexually violent predators	C	409	L 09	
SSB	5719	Kit vehicle requirements	C	284	L 09	
SB	5720	Tuition waivers/stepchildren	C	316	L 09	
SSB	5723	Small business assistance	C	486	L 09	
SSB	5724	Biomass energy	C	281	L 09	
SSB	5725	Organ transplants	C	487	L 09	
SB	5731	Health plan information	C	304	L 09	
SSB	5732	Traffic infractions	C	490	L 09	
SSB	5734	Higher education tuition fees	C	574	L 09	PV
SSB	5738	Office of Superintendent of Public Instr. review of compliance	C	317	L 09	
SB	5739	Concealed pistol license	C	59	L 09	
ESSB	5746	Sentencing juveniles/crimes	C	454	L 09	
SSB	5752	Dentists	C	177	L 09	
SSB	5765	Fruit and Vegetable District Fund	C	208	L 09	
SB	5767	Washington Clean Air Act provisions	C	118	L 09	
ESSB	5768	State Route 99 Alaskan Way Viaduct	C	458	L 09	
SSB	5776	Student fees and charges	C	179	L 09	
SSB	5777	State health insurance pool	C	555	L 09	
SSB	5793	One-occupant farm conveyance	C	128	L 09	
SSB	5795	Tacoma Narrows Toll Account	C	567	L 09	
SSB	5797	Solid waste handling permits	C	178	L 09	
SB	5804	Leaving part-time work voluntarily	C	247	L 09	

ESSB	5808	Fire protection districts	C	60	L 09	
E2SSB	5809	Workforce training/unemployment	C	566	L 09	PV
ESB	5810	Deeds of trust foreclosures	C	292	L 09	
ESSB	5811	Foster child placements	C	491	L 09	
SB	5832	Sex offense prosecution	C	61	L 09	
SSB	5834	Alcoholic beverages	C	373	L 09	
SSB	5839	Irrigation district administration	C	145	L 09	
E2SSB	5850	Human trafficking violations	C	492	L 09	PV
E2SSB	5854	Built environment pollution	C	423	L 09	
ESSB	5873	Apprenticeship utilization	C	197	L 09	
SSB	5881	Truancy	C	266	L 09	
SSB	5882	Racial disproportionality	C	213	L 09	
ESSB	5889	Education system flexibility	C	556	L 09	
SSB	5891	Primary care medical	C	305	L 09	
ESSB	5892	State purchased health care	C	575	L 09	
ESB	5894	Utilities and Transportation Commission	C	557	L 09	
ESSB	5901	Local infrastructure	C	267	L 09	
SB	5903	Public works contracts	C	62	L 09	
SSB	5904	Independent contractor	C	63	L 09	
SB	5909	High technology sales and use tax	C	268	L 09	
SSB	5913	University of Washington health sciences library	C	558	L 09	PV
ESB	5915	Budget implementation	C	559	L 09	
SSB	5921	Clean Energy Initiative	C	318	L 09	
ESB	5925	Higher education study abroad insurance	C	297	L 09	
SSB	5931	Mental health practitioners	C	424	L 09	
SB	5944	Lake Whatcom/phosphorus	C	48	L 09	
2SSB	5945	Washington health partnership plan	C	545	L 09	PV
SB	5952	Sexual orientation/defining	C	180	L 09	
SSB	5963	Unemployment insurance	C	493	L 09	
ESSB	5967	Public community athletics	C	467	L 09	
2SSB	5973	Student achievement gap	C	468	L 09	
SB	5974	Live nonambulatory livestock	C	347	L 09	
SB	5976	Tire replacement fees	C	261	L 09	
ESSB	5978	Consumer rebate requirements	C	374	L 09	
SB	5980	School plant funding	C	129	L 09	
SSB	5987	Corrections Department personnel	C	146	L 09	
SB	5989	Greenhouse gas emissions	C	147	L 09	
ESB	5995	Eliminating boards and commissions	C	560	L 09	
SSB	6000	Homeowners' associations	C	130	L 09	
SB	6002	Washington state quality forum	C	488	L 09	
SSB	6009	Long-term care facilities	C	489	L 09	
E2SSB	6015	Commercialization/innovation	C	425	L 09	
SSB	6016	Students with dyslexia	C	546	L 09	
SSB	6019	Employee wellness programs	C	131	L 09	
SSB	6024	Public assistance applications	C	198	L 09	

ESB	6033	Owner-occupied foreclosure	C 386	L 09	PV
SSB	6036	Water cleanup planning and implementation	C 457	L 09	
SB	6068	Definition of conviction	C 181	L 09	
SB	6070	Dredged riverbed materials	C 426	L 09	
SSB	6088	Commute trip reduction	C 427	L 09	
SSB	6095	Puget Sound pilotage tariff	C 496	L 09	
SB	6096	Vessels in foreign commerce	C 494	L 09	
SB	6104	State agency hours	C 428	L 09	
ESSB	6108	State lottery/Powerball	C 576	L 09	
SB	6121	Biotoxin testing, monitoring	C 577	L 09	
SSB	6122	Secretary of State/elections division	C 415	L 09	PV
SB	6126	Boxing and similar events	C 429	L 09	
ESB	6137	Common school fund transfers	C 547	L 09	
SB	6157	Public retirement compensation	C 430	L 09	
ESB	6158	Family Leave Insurance Program	C 544	L 09	
SSB	6161	Pension systems funding	C 561	L 09	
SSB	6162	Community custody	C 376	L 09	PV
SB	6165	Shorelines Hearings Board	C 422	L 09	
ESB	6166	State trust lands timber	C 418	L 09	PV
SB	6167	Crimes against property	C 431	L 09	
SB	6168	Education program costs	C 578	L 09	PV
ESSB	6169	Tax collection tools	C 562	L 09	
ESSB	6170	Environmental tax incentives	C 469	L 09	
SSB	6171	Department of Health programs	C 495	L 09	
SB	6173	Sales tax compliance	C 563	L 09	
SB	6179	Chemical dependency services	C 579	L 09	
ESSB	6180	Long-term care workers	C 580	L 09	
SB	6181	Intensive resource pilot	FULL VETO		

Session Law to Bill Number Table

C	1	L 09	Death with Dignity Act	INIT	1000
C	2	L 09	Long-Term Care Srvs/Elderly/Persons with Disabilities Act	INIT	1029
C	3	L 09	Unemployment compensation	ESHB	1906
C	4	L 09	Fiscal matters 2007-2009	ESHB	1694
C	5	L 09	Administrative costs/state government	ESSB	5460
C	6	L 09	School construction grants	HB	1113
C	7	L 09	Noncharter code cities	HB	1066
C	8	L 09	Economic stimulus transportation funding	ESHB	1978
C	9	L 09	Public Deposit Protection Commission	SHB	2061
C	10	L 09	Prisoner public records access	SSB	5130
C	11	L 09	Emergency towing vessels	ESSB	5344
C	12	L 09	Motor vehicle franchises	ESSB	5595
C	13	L 09	Check cashers and sellers	SB	5164
C	14	L 09	Flood insurance coverage	SSB	5417
C	15	L 09	Distressed property conveyance	SB	5221
C	16	L 09	Mitigation banking project	SB	5348
C	17	L 09	Graduating without certificate	HB	1562
C	18	L 09	Suitability of annuities	ESSB	5671
C	19	L 09	Crisis referral services	SSB	5131
C	20	L 09	Missing persons recovery	SSB	5012
C	21	L 09	Militia	SSB	5030
C	22	L 09	Veterans' access to services	SSB	5035
C	23	L 09	Student college information portal	SSB	5043
C	24	L 09	Utilities and Transportation Commission proceedings/customers	SSB	5055
C	25	L 09	Washington peace officers	SB	5156
C	26	L 09	King County District Court judges	ESB	5135
C	27	L 09	Digital forensic crime lab	SB	5184
C	28	L 09	Community custody provisions	SSB	5190
C	29	L 09	Construction/county forces	ESSB	5228
C	30	L 09	Retirement systems mailings	ESSB	5238
C	31	L 09	Unified Sex Offender Program	SSB	5261
C	32	L 09	Gas or electrical company discounts	SSB	5290
C	33	L 09	Grain Commission	SHB	1254
C	34	L 09	Armory rental or lease	HB	1034
C	35	L 09	Veterans' relief	EHB	1049
C	36	L 09	Construction trade workers	SHB	1055
C	37	L 09	Contempt of court sanctions	HB	1218
C	38	L 09	Civil commitment witnesses	SHB	1221
C	39	L 09	Explosives license expiration	SHB	1280
C	40	L 09	Library district annexations	SHB	1291
C	41	L 09	School scoliosis screening	HB	1322
C	42	L 09	Standard health questionnaire	ESHB	1401
C	43	L 09	Health care assistants	SHB	1414
C	44	L 09	Birth certificates	SHB	1510
C	45	L 09	Local Public Works Fund	HB	1569
C	46	L 09	Motor carrier regulation	SHB	1843

C	47	L 09		State schools for blind and deaf	HB	1878
C	48	L 09		Lake Whatcom/phosphorus	SB	5944
C	49	L 09		Car dealer damage disclosure	SSB	5388
C	50	L 09		Experience rating accounts	SSB	5009
C	51	L 09		Solar energy panel use	SSB	5136
C	52	L 09		Counseling professions	SSB	5369
C	53	L 09		Statute of limitations	SSB	5380
C	54	L 09		Critical access hospitals	ESB	5423
C	55	L 09		Conservation Commission	ESSB	5437
C	56	L 09		Veterans' burials	SSB	5481
C	57	L 09		Employee contract nonrenewal	SB	5487
C	58	L 09		Nonprofit organizations	SB	5680
C	59	L 09		Concealed pistol license	SB	5739
C	60	L 09		Fire protection districts	ESSB	5808
C	61	L 09		Sex offense prosecution	SB	5832
C	62	L 09		Public works contracts	SB	5903
C	63	L 09		Independent contractor	SSB	5904
C	64	L 09		Associate transfer degrees	SHB	1328
C	65	L 09		Sustainable energy trust	E2SHB	1007
C	66	L 09	PV	Identification device use	SHB	1011
C	67	L 09		Special Commitment Center	HB	1030
C	68	L 09		Occupational therapy medications	SHB	1041
C	69	L 09		Victim input re: work release	HB	1076
C	70	L 09		Exchange facilitators	E2SHB	1078
C	71	L 09		State Flag Account	HB	1121
C	72	L 09		Innovation partnership zones	SHB	1128
C	73	L 09		Special Education Program medical billing	HB	1155
C	74	L 09		Small works roster projects	HB	1196
C	75	L 09		Alternative public works	HB	1197
C	76	L 09		Life insurance policy benefits	SHB	1202
C	77	L 09		Court of Appeals judges	SHB	1205
C	78	L 09		Amusement game locations	HB	1217
C	79	L 09		RV's as primary residences	EHB	1227
C	80	L 09		Affordable housing incentive	EHB	1464
C	81	L 09		Adult guardianship	SHB	1261
C	82	L 09		Organ transplants	SHB	1308
C	83	L 09		Good cause for late filing	HB	1338
C	84	L 09		Calculating child support	ESHB	1794
C	85	L 09	PV	Parents of needy families	SHB	2071
C	86	L 09		Benton County District Court judges	SB	5102
C	87	L 09		Horse Racing Commission/Account	SB	5125
C	88	L 09		Criminal libel statutes	SB	5147
C	89	L 09		Hospice agency exemption	ESHB	1926
C	90	L 09		Boilers and pressure vessels	HB	1366
C	91	L 09		Pipeline safety fees	SHB	1388
C	92	L 09		Workforce training and education	HB	1394
C	93	L 09		Agency rule-making information	HB	1475
C	94	L 09		Household goods carriers	HB	1536

C	95	L 09	LEOFF Plan 2/disabled	HB	1678
C	96	L 09	Horticultural pest and disease boards	HB	1682
C	97	L 09	Regulatory assistance office	SHB	1730
C	98	L 09	Impaired Physician Program	SHB	1765
C	99	L 09	Puget Sound science research	HB	1997
C	100	L 09	Motion picture competitiveness	SHB	2042
C	101	L 09	Driver training schools	SHB	2095
C	102	L 09	Cemetery and funeral directors boards	ESHB	2126
C	103	L 09	Inactive voter ballots	SB	5017
C	104	L 09	Life Settlements Model Act	SSB	5195
C	105	L 09	County elected officials	SB	5233
C	106	L 09	Candidate filing	SSB	5271
C	107	L 09	Election provisions	SSB	5327
C	108	L 09	State Patrol/donations	SB	5695
C	109	L 09	Truth in music advertising	SB	5284
C	110	L 09	Obsolete retirement statutes	SB	5305
C	111	L 09	Survivor annuity option	SB	5315
C	112	L 09	Sheriffs' offices	SB	5322
C	113	L 09	CPA's and enrolled agents	SSB	5343
C	114	L 09	Poultry slaughter and sale	SSB	5350
C	115	L 09	Fire protection district annexing	SB	5426
C	116	L 09	Accountancy practices	SSB	5434
C	117	L 09	Public guardianship office	SB	5699
C	118	L 09	Washington Clean Air Act provisions	SB	5767
C	119	L 09	Self-service storage insurance	SHB	2013
C	120	L 09	Consumer loan companies	SHB	1621
C	121	L 09	Growth Management Act	SHB	1825
C	122	L 09	Foreclosure sales	HB	1826
C	123	L 09	Vehicle documentary fees	ESHB	1939
C	124	L 09	Airport transportation	SHB	2214
C	125	L 09	Intermediate vehicle license	SSB	5469
C	126	L 09	Site certificate employees	SB	5492
C	127	L 09	City-county assistance accounts	SB	5511
C	128	L 09	One-occupant farm conveyance	SSB	5793
C	129	L 09	School plant funding	SB	5980
C	130	L 09	Homeowners' associations	SSB	6000
C	131	L 09	Employee wellness programs	SSB	6019
C	132	L 09	Definition of a biofuel	SHB	1010
C	133	L 09	Raffle ticket price increase	EHB	1053
C	134	L 09	Child mortality reviews	SHB	1303
C	135	L 09	Deferred prosecution files	HB	1257
C	136	L 09	Veterinary drugs	SHB	1271
C	137	L 09	Raffles by counties and cities	HB	1273
C	138	L 09	Victim and witness rights	HB	1281
C	139	L 09	Peace officer psych exams	HB	1324
C	140	L 09	Court commissioners	SSB	5151
C	141	L 09	Assaulting a law enforcement officer	SB	5413
C	142	L 09	Sunscreening devices	ESB	5581

C	143	L 09	Dairy Nutrient Management Program	SSB	5677
C	144	L 09	Special district voting rights	SSB	5705
C	145	L 09	Irrigation district administration	SSB	5839
C	146	L 09	Corrections Department personnel	SSB	5987
C	147	L 09	Greenhouse gas emissions	SB	5989
C	148	L 09	Independent youth housing	HB	1492
C	149	L 09	Reverse mortgage lending	EHB	1311
C	150	L 09	Business continuity plans	SHB	1565
C	151	L 09	Workforce and economic development	SHB	1323
C	152	L 09	Foster care citizen boards	HB	1375
C	153	L 09	Lease with option to purchase	HB	1380
C	154	L 09	Cigarette and tobacco licenses	SHB	1435
C	155	L 09	Malt beverage distribution and production	ESHB	1441
C	156	L 09	Firefighter survivor benefits	HB	1506
C	157	L 09	Fish and wildlife officers	SHB	1953
C	158	L 09	Border county higher education project	HB	1474
C	159	L 09	Deployed military personnel	HB	1478
C	160	L 09	Rail freight service funding	ESHB	1512
C	161	L 09	Insurance	HB	1567
C	162	L 09	Persons selling insurance	EHB	1568
C	163	L 09	Forest biomass energy project	HB	2165
C	164	L 09	Woman's right to breastfeed	HB	1596
C	165	L 09	Relocation assistance rights	SHB	1663
C	166	L 09	Alternative Route Program	HB	1675
C	167	L 09	Public Facilities District Board	SHB	1692
C	168	L 09	Paramedic and nursing training	SHB	1808
C	169	L 09	Department of Licensing employees	HB	1844
C	170	L 09	Fingerprint record checks	HB	1852
C	171	L 09	OASI Fund and Account	HB	2206
C	172	L 09	State Work-Study Program	SSB	5044
C	173	L 09	Joint operating agencies and PUD's	SSB	5267
C	174	L 09	Natural resource infractions	SB	5298
C	175	L 09	Washington health care discount plan	SSB	5480
C	176	L 09	Electronic methods/Revenue Department	SSB	5571
C	177	L 09	Dentists	SSB	5752
C	178	L 09	Solid waste handling permits	SSB	5797
C	179	L 09	Student fees and charges	SSB	5776
C	180	L 09	Sexual orientation/defining	SB	5952
C	181	L 09	Definition of conviction	SB	6068
C	182	L 09	Elementary student recess periods	SSB	5551
C	183	L 09	Pilot Local Water Management Program	2SHB	1580
C	184	L 09	Extending State Route 397	HB	1000
C	185	L 09	Notices of dishonor	HB	1042
C	186	L 09	RCW editorial standards	HB	1058
C	187	L 09	Statute corrections	EHB	1059
C	188	L 09	Limited Partnership Act	SHB	1067
C	189	L 09	Business Corporation Act	HB	1068
C	190	L 09	Home-based instruction	SHB	1110

C	191	L 09		Home school declaration	HB	1288
C	192	L 09		Alternative Route Program	HB	1156
C	193	L 09		Undisputed claims payment	HB	1195
C	194	L 09		Intensive behavior support	SSB	5117
C	195	L 09		Direct retail endorsements	SB	5356
C	196	L 09		L&I stop work orders	SSB	5613
C	197	L 09		Apprenticeship utilization	ESSB	5873
C	198	L 09		Public assistance applications	SSB	6024
C	199	L 09		Salmon and steelhead recovery	HB	1063
C	200	L 09		Active forestry operations	SB	5562
C	201	L 09		Electronic signatures/public assistance	HB	1270
C	202	L 09		Public agency entities	HB	1264
C	203	L 09		Nurse authority delegation	SHB	1397
C	204	L 09		Fish and Wildlife chaplain	HB	1437
C	205	L 09		Military service credit	HB	1548
C	206	L 09		Foster parent licensing	SB	5015
C	207	L 09		University engineering programs	SSB	5276
C	208	L 09		Fruit and Vegetable District Fund	SSB	5765
C	209	L 09		From PERS 2 to SERS 2	SB	5303
C	210	L 09		Juvenile sex offender notice	SSB	5326
C	211	L 09		Heavy rail short lines	SB	5587
C	212	L 09		Middle school student technical education	2SSB	5676
C	213	L 09		Racial disproportionality	SSB	5882
C	214	L 09		First degree child assault	EHB	2279
C	215	L 09	PV	Student financial aid	E2SHB	2021
C	216	L 09		Firearm licenses for aliens	2SHB	1052
C	217	L 09		Nurse practitioners	SHB	1071
C	218	L 09		Uniform Law Commission	HB	1120
C	219	L 09		Public works funds retainage	HB	1199
C	220	L 09		Resident students	HB	1487
C	221	L 09		Public water supply operators	SHB	1283
C	222	L 09		Candidates for public office	SHB	1286
C	223	L 09		Instruction in civics	HB	2132
C	224	L 09		School district employee ethics	SHB	1319
C	225	L 09		Employer contribution rates	HB	1339
C	226	L 09		Survivor benefits	HB	1551
C	227	L 09		Supervised community options	HB	1361
C	228	L 09		Wine at the Legislative Gift Center	SHB	1415
C	229	L 09		Bid limits	ESHB	1847
C	230	L 09		Water and sewer facilities	EHB	1513
C	231	L 09		Electronic records approval	HB	1515
C	232	L 09		Motorsport franchise agreements	ESHB	1664
C	233	L 09		Mobile homes titling	HB	1888
C	234	L 09		Postadoption sibling contact	2SHB	1938
C	235	L 09		Increasing Adoptions Act	E2SHB	1961
C	236	L 09		Sealing juvenile records	ESHB	1954
C	237	L 09		Local improvement districts	EHB	2285
C	238	L 09		Opportunity Internship Program	2SHB	1355

C	239	L 09	County employee pay periods	EHB	1461
C	240	L 09	Statutory costs	SHB	1022
C	241	L 09	Higher education course materials	2SHB	1025
C	242	L 09	Department of Health authority in hospitals	2SHB	1021
C	243	L 09	Lead wheel weight alternatives	ESHB	1033
C	244	L 09	Methicillin-resistant staph	ESHB	1123
C	245	L 09	Specialized forest products	SHB	1038
C	246	L 09	Habitat open space	SSB	5401
C	247	L 09	Leaving part-time work voluntarily	SB	5804
C	248	L 09	Veterans' scoring criteria	HB	1050
C	249	L 09	Water discharge fees	SHB	1413
C	250	L 09	Sexually aggressive youth	SHB	1419
C	251	L 09	Use of certified mail	HB	1426
C	252	L 09	Sexually exploited juveniles	SHB	1505
C	253	L 09	Reclaimed water systems	SHB	1532
C	254	L 09	Air pollution control authority	HB	1578
C	255	L 09	Current use valuation programs	SHB	1733
C	256	L 09	Vehicle air conditioning	SHB	1984
C	257	L 09	Health insurance partnership	SHB	2052
C	258	L 09	Diagnostic imaging services	ESHB	2105
C	259	L 09	Indian Scholarship Program	SSB	5001
C	260	L 09	Jurisdictional transfers	SB	5028
C	261	L 09	Tire replacement fees	SB	5976
C	262	L 09	State Route 164	SB	5642
C	263	L 09	School impact fees	SB	5580
C	264	L 09	Electing U.S. President by popular vote	SB	5599
C	265	L 09	Free public parking property	HB	1048
C	266	L 09	Truancy	SSB	5881
C	267	L 09	Local infrastructure	ESSB	5901
C	268	L 09	High technology sales and use tax	SB	5909
C	269	L 09	Hunting licenses/military	SB	5008
C	270	L 09	Community revitalization	2SSB	5045
C	271	L 09	Spirits, beer and wine license	SSB	5367
C	272	L 09	Photo enforcement system	SSB	5556
C	273	L 09	Novelty lighters	ESSB	5011
C	274	L 09	Public transit vehicle stops	SB	5180
C	275	L 09	2- and 3-wheeled vehicles	SB	5482
C	276	L 09	Driving record abstracts	SSB	5610
C	277	L 09	Scenic system ferry routes	SB	5289
C	278	L 09	Tobacco product mail order	SSB	5340
C	279	L 09	Unlawful transit conduct	ESSB	5513
C	280	L 09	High capacity transportation service	SB	5540
C	281	L 09	Biomass energy	SSB	5724
C	282	L 09	Solid fuel burning devices	SSB	5565
C	283	L 09	Water bank provisions	ESSB	5583
C	284	L 09	Kit vehicle requirements	SSB	5719
C	285	L 09	Electronic product repair and reuse	2SHB	1522
C	286	L 09	Dog breeding practices	ESSB	5651

C	287	L 09		Preventing animal cruelty	SSB	5402
C	288	L 09	PV	Certificate of discharge	ESHB	1002
C	289	L 09		Excise and sales and use taxes	SSB	5566
C	290	L 09	PV	Newborn transfer locations	SSB	5318
C	291	L 09		Debt limit/Housing Finance Commission	SB	5452
C	292	L 09		Deeds of trust foreclosures	ESB	5810
C	293	L 09		Involuntary commitment/firearms	HB	1498
C	294	L 09		State government administrative costs	HB	2328
C	295	L 09		Honorary doctorate degrees	SB	5173
C	296	L 09		Business customized training	SSB	5616
C	297	L 09		Higher education study abroad insurance	ESB	5925
C	298	L 09		Health care administrative procedures	2SSB	5346
C	299	L 09	PV	Community Health Grant Program	SSB	5360
C	300	L 09		Secure health information exchange	SSB	5501
C	301	L 09		Speech-language pathology	ESSB	5601
C	302	L 09	PV	Genetic counselors	SSB	5608
C	303	L 09		Pregnancy prevention programs	SB	5629
C	304	L 09		Health plan information	SB	5731
C	305	L 09		Primary care medical	SSB	5891
C	306	L 09		Rural county library districts	SB	5355
C	307	L 09		Condominium associations	SSB	5461
C	308	L 09		Annual property valuation	SSB	5368
C	309	L 09		Tax collection tools	SB	5568
C	310	L 09	PV	Assessments and curricula	ESSB	5414
C	311	L 09		Nonprofit housing organizations	SSB	5468
C	312	L 09		Care provider respite care	SB	5547
C	313	L 09		Carbon monoxide alarms	SSB	5561
C	314	L 09		Affordable housing entities	SSB	5665
C	315	L 09		Certificates of need	SB	5673
C	316	L 09		Tuition waivers/stepchildren	SB	5720
C	317	L 09		Office of Superintendent of Public Instr. review of compliance	SSB	5738
C	318	L 09		Clean energy initiative	SSB	5921
C	319	L 09		Community Integration Program	SHB	1201
C	320	L 09		Mental health information	SHB	1300
C	321	L 09		Dental hygiene	SHB	1309
C	322	L 09		Conditional release orders	HB	1589
C	323	L 09		Less restrictive treatment	ESHB	1349
C	324	L 09		School employee sexual misconduct	EHB	1385
C	325	L 09		Restoration of right to vote	HB	1517
C	326	L 09		Telemedicine	SHB	1529
C	327	L 09		Dentistry license issuance	SHB	1740
C	328	L 09		Prescription pads	HB	2014
C	329	L 09		Wellness incentives	SHB	2160
C	330	L 09		Electronic juror signatures	HB	1158
C	331	L 09		Pacific sardines	ESHB	1326
C	332	L 09		Water rights adjudication	ESHB	1571
C	333	L 09	PV	Fish and Wildlife Title 77 RCW	SHB	1778
C	334	L 09		Asset Protection Waiver Act	EHB	1530

C	335	L 09		Insurance Commissioner	EHB 1566
C	336	L 09		Rule-making hearings access	SHB 1552
C	337	L 09		County auditors	SHB 1583
C	338	L 09		Milwaukee Road Corridor	HB 1717
C	339	L 09		Agribusiness vehicle drivers	SHB 2223
C	340	L 09		Salmonid hatcheries	2SHB 1951
C	341	L 09		Wildlife and Recreation Program	SHB 1957
C	342	L 09		One hundred-year floodplains	EHB 1967
C	343	L 09		Health professional licensing information	SHB 2079
C	344	L 09		Water or sewer facilities	HB 2146
C	345	L 09		Salmon recovery	SHB 2157
C	346	L 09		Rental car companies	SSB 5509
C	347	L 09		Live nonambulatory livestock	SB 5974
C	348	L 09	PV	Minority and women's business	EHB 1087
C	349	L 09		Christmas tree protections	HB 1137
C	350	L 09		Property tax administration	E2SHB 1208
C	351	L 09		Motor vehicle warranties	SHB 1215
C	352	L 09		Transportation systems/fuel tax effect	SHB 1225
C	353	L 09		Workforce and economic development	HB 1395
C	354	L 09	PV	Habitat open space	2SHB 1484
C	355	L 09		Dungeness crab fishery gear	ESHB 1516
C	356	L 09		State agency paper use	SHB 2287
C	357	L 09		Gambling under age 18	SSB 5040
C	358	L 09		Small business paperwork	SSB 5042
C	359	L 09		Violent injury reporting	SSB 5056
C	360	L 09		Manufactured wine and beer use	SB 5060
C	361	L 09		Serving wine and beer	ESSB 5110
C	362	L 09		Agricultural structures	SB 5120
C	363	L 09		Money Judgments Recognition Act	SB 5153
C	364	L 09		Service of seizure notice	SSB 5160
C	365	L 09		Principal and Income Act	SSB 5171
C	366	L 09		Driver license photo access	ESSB 5262
C	367	L 09	PV	Public water supply operators	SSB 5199
C	368	L 09		Fish and wildlife equipment	SSB 5268
C	369	L 09		Voter registration	SSB 5270
C	370	L 09		Landscape architecture	SSB 5273
C	371	L 09		Consumer Protection Act	SSB 5531
C	372	L 09		District Court Clerk fees	SB 5277
C	373	L 09		Alcoholic beverages	SSB 5834
C	374	L 09		Consumer rebate requirements	ESSB 5978
C	375	L 09	PV	Supervision of offenders	ESSB 5288
C	376	L 09	PV	Community custody	SSB 6162
C	377	L 09		Respectful language/statutes	HB 1835
C	378	L 09		Military Justice Code	SHB 1036
C	379	L 09	PV	Energy efficiency/buildings	E2SSB 5649
C	380	L 09		Military children	SSB 5248
C	381	L 09		Deaf and hard of hearing	E2SHB 1879
C	382	L 09		Credit and debit card information	HB 1127

C	383	L 09		Tribal reservation speed limits	HB	1448
C	384	L 09		Linked deposit program loans	HB	1166
C	385	L 09	PV	Linked deposit program study	EHB	1167
C	386	L 09	PV	Owner-occupied foreclosure	ESB	6033
C	387	L 09		Vehicles/prostitution	ESHB	1362
C	388	L 09		Children's mental health	2SHB	1373
C	389	L 09		Alternative sentencing	SHB	1791
C	390	L 09		Search and arrest authority	ESHB	1792
C	391	L 09		Industrial insurance appeals	SHB	1402
C	392	L 09		Alternative student transportation	SHB	1793
C	393	L 09		Damages to state property	HB	1433
C	394	L 09		University of Washington Consolidated Endowment Fund	HB	1640
C	395	L 09		Tenants who are victims	SHB	1856
C	396	L 09		School employees dismissal	ESHB	1741
C	397	L 09		Housing and dependency matters	SHB	1769
C	398	L 09		Health care information sharing	HB	2025
C	399	L 09		Offender release dates	HB	1789
C	400	L 09		Domestic violence court orders	HB	1790
C	401	L 09		Wireless phone numbers	SHB	1816
C	402	L 09		Annexing agriculture fair areas	HB	1295
C	403	L 09		Retired active physician license	2SHB	1899
C	404	L 09		Wine labels	SHB	1812
C	405	L 09		Shifts in shoreline location	HB	2199
C	406	L 09		Early learning workforce	SHB	1943
C	407	L 09		Higher education online technology	2SHB	1946
C	408	L 09		Failure to pay child support	SSB	5166
C	409	L 09		Sexually violent predators	SSB	5718
C	410	L 09		Legislative Youth Advisory Council	SSB	5229
C	411	L 09		Correctional facilities medications management	SSB	5252
C	412	L 09		Tattooing/body art and piercing	SSB	5391
C	413	L 09		Special election dates	ESHB	1018
C	414	L 09		Identifying marks on ballots	SB	5359
C	415	L 09	PV	Secretary of State/elections division	SSB	6122
C	416	L 09		Conservation project loans	HB	1184
C	417	L 09		County clerks	ESB	5013
C	418	L 09	PV	State trust lands timber	ESB	6166
C	419	L 09		Energy overlay zones	SB	5107
C	420	L 09		Salmon and steelhead stamps	ESSB	5421
C	421	L 09		Projects/statewide significance	ESSB	5473
C	422	L 09		Shorelines Hearings Board	SB	6165
C	423	L 09		Built environment pollution	E2SSB	5854
C	424	L 09		Mental health practitioners	SSB	5931
C	425	L 09		Commercialization/innovation	E2SSB	6015
C	426	L 09		Dredged riverbed materials	SB	6070
C	427	L 09		Commute trip reduction	SSB	6088
C	428	L 09		State agency hours	SB	6104
C	429	L 09		Boxing and similar events	SB	6126
C	430	L 09		Public retirement compensation	SB	6157

C	431	L 09		Crimes against property	SB	6167
C	432	L 09		Underground economy/construction	SHB	1555
C	433	L 09		Damages claims against government	ESHB	1553
C	434	L 09		Electrolytic process tax exemptions	SHB	1062
C	435	L 09		Railroad crossing protection	2SHB	1081
C	436	L 09		Nonprofit institution funds	SHB	1119
C	437	L 09		Registering with the Secretary of State	SHB	1592
C	438	L 09		Retail store restroom access	ESHB	1138
C	439	L 09		Protection of animals	HB	1148
C	440	L 09		Juvenile case records access	HB	1238
C	441	L 09		Offender medical placement	EHB	2194
C	442	L 09		Local tourism promotion	2SHB	1290
C	443	L 09		Financial education	SHB	1347
C	444	L 09		Shoreline Management Act/moratoria	ESHB	1379
C	445	L 09		Drug court funding	SHB	1919
C	446	L 09		Peer Mentoring Pilot Program	EHB	1986
C	447	L 09		Developmental disabilities	E2SHB	2078
C	448	L 09	PV	Greenhouse gas emissions	HB	2129
C	449	L 09		Storm water discharge permits	ESHB	2222
C	450	L 09		Dual credit opportunities	2SHB	2119
C	451	L 09		Energy Freedom Program	ESHB	2289
C	452	L 09		Farm vehicle permits	HB	2313
C	453	L 09		Electric shock devices/schools	ESSB	5263
C	454	L 09		Sentencing juveniles/crimes	ESSB	5746
C	455	L 09	PV	State institutions/release	SB	5525
C	456	L 09		Reclaimed water permitting	SSB	5504
C	457	L 09		Water cleanup planning and implementation	SSB	6036
C	458	L 09		State Route 99 Alaskan Way Viaduct	ESSB	5768
C	459	L 09		Electric vehicles	2SHB	1481
C	460	L 09		School capital projects	ESHB	1619
C	461	L 09		Newspaper industry B&O tax	EHB	2122
C	462	L 09		Homeless services document fee	HB	2331
C	463	L 09	PV	Children's health coverage	ESHB	2128
C	464	L 09		Olympic marmot	SB	5071
C	465	L 09		University of Washington Human Rights Center	SSB	5172
C	466	L 09		Global Asia institute	SSB	5177
C	467	L 09		Public community athletics	ESSB	5967
C	468	L 09		Student achievement gap	2SSB	5973
C	469	L 09		Environmental tax incentives	ESSB	6170
C	470	L 09	PV	Transportation Budget 2009-11	ESSB	5352
C	471	L 09		Highway construction	SSB	5684
C	472	L 09		State Route 520 corridor tolls	ESHB	2211
C	473	L 09	PV	Department of Transportation highway contract bonds	SSB	5499
C	474	L 09		Development rights transfer	2SHB	1172
C	475	L 09		Concussion management/youth sports	EHB	1824
C	476	L 09		Medical support obligations	SHB	1845
C	477	L 09		Dependency matters/parents	ESHB	1782
C	478	L 09		Long-term care workers	HB	2359

C	479	L 09		Consolidating Accounts/General Fund	ESSB	5073
C	480	L 09		Guardians ad litem	SSB	5285
C	481	L 09		Hospital capital facility areas	SB	5354
C	482	L 09		Subsequent foster home placements	SSB	5431
C	483	L 09		Low-income senior housing	SB	5470
C	484	L 09		Dependency matters	SSB	5510
C	485	L 09		Consumer data in vehicles	SSB	5574
C	486	L 09		Small business assistance	SSB	5723
C	487	L 09		Organ transplants	SSB	5725
C	488	L 09		Washington state quality forum	SB	6002
C	489	L 09		Long-term care facilities	SSB	6009
C	490	L 09		Traffic infractions	SSB	5732
C	491	L 09		Foster child placements	ESSB	5811
C	492	L 09	PV	Human trafficking violations	E2SSB	5850
C	493	L 09		Unemployment insurance	SSB	5963
C	494	L 09		Vessels in foreign commerce	SB	6096
C	495	L 09		Department of Health programs	SSB	6171
C	496	L 09		Puget Sound pilotage tariff	SSB	6095
C	497	L 09	PV	Capital Budget 2009-2011	ESHB	1216
C	498	L 09		State bonds and accounts	ESHB	1272
C	499	L 09		Colleges and construction	ESHB	2254
C	500	L 09		Statutory debt limit	SSB	5537
C	501	L 09		Energy efficiency code	ESHB	1004
C	502	L 09		Parenting plan modification	SHB	1170
C	503	L 09		Intrastate commuter aircraft	HB	1287
C	504	L 09		Watershed management partnerships	SHB	1332
C	505	L 09		Real estate sellers	SHB	1420
C	506	L 09		Beer and Wine Regulation Commission	EHB	2040
C	507	L 09		Liquor license fees	EHB	2358
C	508	L 09		Nonprofit legal services	HB	1579
C	509	L 09		Department of Information Systems	E2SHB	1701
C	510	L 09		Small loan default risk	ESHB	1709
C	511	L 09		Rural county public facilities	SHB	1751
C	512	L 09		State parks system donation	SHB	2339
C	513	L 09		Property Tax Open Space Program	EHB	1815
C	514	L 09		Marine container ports	ESHB	1959
C	515	L 09	PV	Special transportation needs	ESHB	2072
C	516	L 09		Community preservation	ESHB	2125
C	517	L 09		Motorsports vehicle dealers	SHB	2208
C	518	L 09	PV	State agency reports	ESHB	2327
C	519	L 09	PV	Agency climate leadership	E2SSB	5560
C	520	L 09	PV	Child welfare system	2SHB	2106
C	521	L 09		Registered domestic partners	E2SSB	5688
C	522	L 09		Domestic partners/WSPRS	ESHB	1445
C	523	L 09		Domestic partner pensions	EHB	1616
C	524	L 09		High school diplomas/options	SHB	1758
C	525	L 09		Vulnerable adults' estates	SHB	1103
C	526	L 09		Dependency proceedings	SHB	1239

C	527	L 09		Review of support payments	HB	2347
C	528	L 09		Mortgage broker practices	SHB	1749
C	529	L 09		Health care cost information	SHB	1869
C	530	L 09		Adult family homes	E2SHB	1935
C	531	L 09		Professional Educator Standards Board	SHB	2003
C	532	L 09		Sex offender e-mail address	ESHB	2035
C	533	L 09		Public facilities districts	EHB	2299
C	534	L 09		Exempt employment practices	ESHB	2049
C	535	L 09		Excise taxation	ESHB	2075
C	536	L 09	PV	Evergreen Jobs Act	E2SHB	2227
C	537	L 09		PEBB eligibility	ESHB	2245
C	538	L 09		Hospital adjustments	HB	2349
C	539	L 09		Education program savings	SHB	2343
C	540	L 09		Resident undergraduate tuition	ESHB	2344
C	541	L 09		Student Achievement Fund	SHB	2356
C	542	L 09		Online learning	SSB	5410
C	543	L 09		180-day school year waivers	SHB	1292
C	544	L 09		Family Leave Insurance Program	ESB	6158
C	545	L 09	PV	Washington health partnership plan	2SSB	5945
C	546	L 09		Students with dyslexia	SSB	6016
C	547	L 09		Common school fund transfers	ESB	6137
C	548	L 09	PV	State's education system	ESHB	2261
C	549	L 09	PV	Gender-based terms	SB	5038
C	550	L 09		Local and state sales and use tax	ESSB	5321
C	551	L 09	PV	Local option tax provisions	2SSB	5433
C	552	L 09	PV	Direct practices payment	SSB	5436
C	553	L 09		County investment expenses	SSB	5539
C	554	L 09		Job Skills Program	SB	5554
C	555	L 09		State health insurance pool	SSB	5777
C	556	L 09		Education system flexibility	ESSB	5889
C	557	L 09		Utilities and Transportation Commission	ESB	5894
C	558	L 09	PV	University of Washington health sciences library	SSB	5913
C	559	L 09		Budget implementation	ESB	5915
C	560	L 09		Eliminating boards and commissions	ESB	5995
C	561	L 09		Pension systems funding	SSB	6161
C	562	L 09		Tax collection tools	ESSB	6169
C	563	L 09		Sales tax compliance	SB	6173
C	564	L 09	PV	Operating budgets 2007-09 and 2009-11	ESHB	1244
C	565	L 09	PV	Department of Commerce	EHB	2242
C	566	L 09	PV	Workforce training/unemployment	E2SSB	5809
C	567	L 09		Tacoma Narrows Toll Account	SSB	5795
C	568	L 09		Basic Health Plan Program	SHB	2341
C	569	L 09		Crisis residential centers	SHB	2346
C	570	L 09		Nursing facilities/Medicaid	EHB	2357
C	571	L 09		In-home care/state payments	SHB	2361
C	572	L 09		Judicial branch agencies	SHB	2362
C	573	L 09		Educational employees	SHB	2363
C	574	L 09	PV	Higher education tuition fees	SSB	5734

C	575	L 09		State purchased health care	ESSB	5892
C	576	L 09		State lottery/Powerball	ESSB	6108
C	577	L 09		Biotoxin testing, monitoring	SB	6121
C	578	L 09	PV	Education program costs	SB	6168
C	579	L 09		Chemical dependency services	SB	6179
C	580	L 09		Long-term care workers	ESSB	6180
	FULL VETO			Accountancy practices	SHB	1518
	FULL VETO			Boarding home Medicaid rates	HB	1527
	FULL VETO			Exemptions from WorkFirst	SSB	5286
	FULL VETO			LEOFF plan 2/disabled	SB	5542
	FULL VETO			Intensive resource pilot	SB	6181

EXECUTIVE AGENCIES

Department of Agriculture
Dan Newhouse, Director

Department of Community, Trade and Economic Development
Rogers Weed, Director

UNIVERSITIES AND COLLEGES BOARDS OF TRUSTEES

Central Washington University
Annette Sandberg
Daniel Sweeney
Keith Thompson

Eastern Washington University
Courtney R. Fleming

The Evergreen State College
Retired Carver C. Gayton
Kristin Hayden
Denny Heck
Keith L. Kessler
Brittany Newhouse
Paul Winters

University of Washington
Jean-Paul A. Willynck

Washington State University
Ted Baseler
Scott Carson
Harold Cochran
Elizabeth A. Cowles
Derick C. En'Wezoh
Laura Jennings
Connie Niva
Rafael Stone

Western Washington University
Hannah M. Higgins
Phil Sharpe
Peggy Zoro

HIGHER EDUCATION BOARDS

Higher Education Coordinating Board
Ethelda Burke
Earl Hale
Nita Rinehart

Higher Education Facilities Authority
Tom A. Johnson
John K. McVay
Ellen Taussig

COMMUNITY AND TECHNICAL COLLEGES BOARDS OF TRUSTEES

Bates Technical College District No. 28
Stanley Rumbaugh

Bellingham Technical College District No. 25
Sonia Arevalo-Hayes
Mark Asmundson

Big Bend Community College District No. 18
Katherine Kenison
Angela M. Pixton
Mike Wren

Cascadia Community College District No. 30
Jean Magladry
Michael Martino
Roy Wilkinson

Centralia Community College District No. 12
Joseph Dolezal
Joanne H. Schwartz
Margaret E. Sundstrom

Clark Community College District No. 14
Jack Burkman

Clover Park Technical College District No. 29
Bruce L. Lachney
Mary Moss

Columbia Basin Community College District No. 19
Enriqueta Mayuga, M.D.

Edmonds Community College District No. 23
Mauri Moore

Everett Community College District No. 5
Betty J. Cobbs

Grays Harbor Community College District No. 2
Fawn Sharp-Malvini

Highline Community College District No. 9
Dan Altmayer
Dr. Edward Davila
Barbara Reid

Lower Columbia Community College District No. 13
Heidi Heywood

Olympic Community College District No. 3
Beverly J. Cheney

Peninsula Community College District No. 1
Erik S. Rohrer

Pierce Community College District No. 11
Marc Gaspard
Arlene Joe

Seattle, So. Seattle and No. Seattle Community Colleges District No. 6
Mr. Thomas W. Malone
Constance W. Rice

Shoreline Community College District No. 7
Jerry Smith
Gidget Terpstra

Skagit Valley Community College District No. 4
Debra Lisser

South Puget Sound Community College District No. 24
Alberta B. Clarkson

Spokane and Spokane Falls Community Colleges District No. 17
Greg Bever
Carol Landa-McVicker

State Board for Community and Technical Colleges
J. A. Bricker
Ms. Erin Mundinger

Tacoma Community College District No. 22
Frederick Whang

Walla Walla Community College District No. 20
Miguel Sanchez

Wenatchee Valley Community College District No. 15
Philip G. Rasmussen

WhatcomCommunity College District No. 21
Timothy B. Douglas

Yakima Valley Community College District No. 16
Larry Sanchez
Patricia Whitefoot

STATE BOARDS, COUNCILS, AND COMMISSIONS

Board of Pharmacy
Rebecca Hille
Albert J. Linggi

Board of Tax Appeals
Kay Slonim

Columbia River Gorge Commission
Honna Sheffield

Economic Development Commission
Bruce Kendall, Chair

Forest Practices Appeals Board
Joel Rupley

Gambling Commission
Mike Amos
John Ellis

Horse Racing Commission
Hartly Kruger

Housing Finance Commission
Claire Grace
M.A. Leonard
Mr. Mario M. Villanueva

Human Rights Commission
Yvonne Lopez Morton, Chair

Investment Board
Mason Petit

K-20 Educational Network Board
Judy L. Hartman

Pacific Marine Fishery Commission
Harriet A. Spanel

Pollution Control/Shorelines Hearings Board
Andrea McNamara Doyle

Public Employment Relations Commission
Thomas W. McLane

Sentencing Guidelines Commission
Ida Ballasiotes
Russell D. Hauge
Ann C. Heath
Lenell Nussbaum
Paul A. Pastor
Lynda J. Ring Erickson
Dan Satterberg
Stephen Warning

Small Business Export Finance Assistance Center Board of Directors
Robyn Todd

State Board of Education
Dr. Bernal Baca
Amy Bragdon

State School for the Deaf
Allie M. Joiner
Educational Speciali Juanita J. Kamphuis

Transportation Commission
Latisha D. Hill

Utilities and Transportation Commission
Jeffrey D. Goltz

Work Force Training and Education Coordinating Board
Martin Bean
Rick S. Bender
Beth Thew

2009 Legislative Officers and Caucus Officers

House of Representatives

Frank Chopp ..... Speaker
Jeff Morris ..... Speaker Pro Tempore
Jim Moeller .....Deputy Speaker Pro Tempore
Lynn Kessler .....Majority Leader
Dawn Morrell .....Majority Caucus Chair
Sharon Tomiko Santos ..... Majority Whip
Zack Hudgins ..... Majority Floor Leader
Larry Springer..... Majority Caucus Liaison
Deborah Eddy..... Majority Caucus Vice Chair
Tami Green.....Majority Assistant Floor Leader
Kevin Van De Wege..... Majority Deputy Whip
Reuven Carlyle .....Majority Assistant Whip
Fred Finn .....Majority Assistant Whip
Scott White .....Majority Assistant Whip

Republican Leadership

Richard DeBolt .....Minority Leader
Joel Kretz.....Minority Deputy Leader
Dan Kristiansen .....Minority Caucus Chair
Bill Hinkle .....Minority Whip
Doug Ericksen..... Minority Floor Leader
Maureen Walsh.....Minority Caucus Vice Chair
Charles Ross .....Minority Asst. Floor Leader
Jaime Herrera.....Minority Asst. Floor Leader
Kevin Parker ..... Minority Assistant Whip
Mike Hope..... Minority Assistant Whip
Brad Klippert ..... Minority Assistant Whip

Barbara Baker.....Chief Clerk
Bernard Dean ..... Deputy Chief Clerk

Senate

Officers

Lt. Governor Brad Owen..... President
Rosa Franklin ..... President Pro Tempore
Paull Shin .....Vice President Pro Tempore
Tom Hoemann .....Secretary
Brad Hendrickson .....Deputy Secretary
Jim Ruble.....Sergeant At Arms

Caucus Officers

Democratic Caucus

Lisa Brown .....Majority Leader
Ed Murray ..... Majority Caucus Chair
Tracey J. Eide .....Majority Floor Leader
Chris Marr ..... Majority Whip
Debbie Regala..... Majority Caucus Vice Chair
Joe McDermott..... Majority Asst. Floor Leader
Claudia Kauffman .....Majority Assistant Whip

Republican Caucus

Mike Hewitt .....Republican Leader
Linda Evans Parlette ..... Republican Caucus Chair
Mark Schoesler .....Republican Floor Leader
Dale Brandland ..... Republican Whip
Mike Carrell ..... Republican Deputy Leader
Cheryl Pflug..... Republican Caucus Vice Chair
Jim Honeyford ..... Republican Deputy Floor Leader
Jerome Delvin .....Republican Deputy Whip

District 1
Sen. Rosemary McAuliffe (D)
Rep. Al O'Brien (D-1)
Rep. Mark Ericks (D-2)

District 2
Sen. Randi Becker (R)
Rep. Tom Campbell (R-2)
Rep. Jim McCune (R-1)

District 3
Sen. Lisa Brown (D)
Rep. Alex Wood (D-1)
Rep. Timm Ormsby (D-2)

District 4
Sen. Bob McCaslin (R)
Rep. Larry Crouse (R-1)
Rep. Matt Shea (R-2)

District 5
Sen. Cheryl Pflug (R)
Rep. Jay Rodne (R-1)
Rep. Glenn Anderson (R-2)

District 6
Sen. Chris Marr (D)
Rep. Kevin Parker (R-1)
Rep. John Driscoll (D-2)

District 7
Sen. Bob Morton (R)
Rep. Shelly Short (R-1)
Rep. Joel Kretz (R-2)

District 8
Sen. Jerome Delvin (R)
Rep. Brad Klippert (R-1)
Rep. Larry Haler (R-2)

District 9
Sen. Mark Schoesler (R)
Rep. Steve Hailey (R-1)
Rep. Don Cox (R-1)*
Rep. Joe Schmick (R-2)

District 10
Sen. Mary Margaret Haugen (D)
Rep. Norma Smith (R-1)
Rep. Barbara Bailey (R-2)

District 11
Sen. Margarita Prentice (D)
Rep. Zachary Hudgins (D-1)
Rep. Bob Hasegawa (D-2)

District 12
Sen. Linda Evans Parlette (R)
Rep. Cary Condotta (R-1)
Rep. Mike Armstrong (R-2)

District 13
Sen. Janéa Holmquist (R)
Rep. Judy Warnick (R-1)
Rep. Bill Hinkle (R-2)

District 14
Sen. Curtis King (R)
Rep. Norm Johnson (R-1)
Rep. Charles Ross (R-2)

District 15
Sen. Jim Honeyford (R)
Rep. Bruce Chandler (R-1)
Rep. Dan Newhouse (R-2)
Rep. David Taylor (R-2)*

District 16
Sen. Mike Hewitt (R)
Rep. Maureen Walsh (R-1)
Rep. Bill Grant (D-2)
Rep. Laura Grant-Herriot (D-2)*

District 17
Sen. Don Benton (R)
Rep. Tim Probst (D-1)
Rep. Deb Wallace (D-2)

District 18
Sen. Joseph Zarelli (R)
Rep. Jaime Herrera (R-1)
Rep. Ed Orcutt (R-2)

District 19
Sen. Brian Hatfield (D)
Rep. Dean Takko (D-1)
Rep. Brian Blake (D-2)

District 20
Sen. Dan Swecker (R)
Rep. Richard DeBolt (R-1)
Rep. Gary Alexander (R-2)

District 21
Sen. Paull Shin (D)
Rep. Mary Helen Roberts (D-1)
Rep. Marko Liias (D-2)

District 22
Sen. Karen Fraser (D)
Rep. Brendan Williams (D-1)
Rep. Sam Hunt (D-2)

District 23
Sen. Phil Rockefeller (D)
Rep. Sherry Appleton (D-1)
Rep. Christine Rolfes (D-2)

District 24
Sen. James Hargrove (D)
Rep. Kevin Van De Wege (D-1)
Rep. Lynn Kessler (D-2)

*Representative appointed during the 2009 Legislative Session.

District 25
Sen. Jim Kastama (D)
Rep. Bruce Dammeier (R-1)
Rep. Dawn Morrell (D-2)

District 26
Sen. Derek Kilmer (D)
Rep. Jan Angel (R-1)
Rep. Larry Seaquist (D-2)

District 27
Sen. Debbie Regala (D)
Rep. Dennis Flannigan (D-1)
Rep. Jeannie Darneille (D-2)

District 28
Sen. Mike Carrell (R)
Rep. Troy Kelley (D-1)
Rep. Tami Green (D-2)

District 29
Sen. Rosa Franklin (D)
Rep. Steve Conway (D-1)
Rep. Steve Kirby (D-2)

District 30
Sen. Tracey Eide (D)
Rep. Mark Miloscia (D-1)
Rep. Skip Priest (R-2)

District 31
Sen. Pam Roach (R)
Rep. Dan Roach (R-1)
Rep. Christopher Hurst (D-2)

District 32
Sen. Darlene Fairley (D)
Rep. Maralyn Chase (D-1)
Rep. Ruth Kagi (D-2)

District 33
Sen. Karen Keiser (D)
Rep. Tina Orwall (D-1)
Rep. Dave Upthegrove (D-2)

District 34
Sen. Joe McDermott (D)
Rep. Eileen Cody (D-1)
Rep. Sharon Nelson (D-2)

District 35
Sen. Tim Sheldon (D)
Rep. Kathy Haigh (D-1)
Rep. Fred Finn (D-2)

District 36
Sen. Jeanne Kohl-Welles (D)
Rep. Reuven Carlyle (D-1)
Rep. Mary Lou Dickerson (D-2)

District 37
Sen. Adam Kline (D)
Rep. Sharon Tomiko Santos (D-1)
Rep. Eric Pettigrew (D-2)

District 38
Sen. Jean Berkey (D)
Rep. John McCoy (D-1)
Rep. Mike Sells (D-2)

District 39
Sen. Val Stevens (R)
Rep. Dan Kristiansen (R-1)
Rep. Kirk Pearson (R-2)

District 40
Sen. Kevin Ranker (D)
Rep. Dave Quall (D-1)
Rep. Jeff Morris (D-2)

District 41
Sen. Fred Jarrett (D)
Rep. Marcie Maxwell (D-1)
Rep. Judy Clibborn (D-2)

District 42
Sen. Dale Brandland (R)
Rep. Doug Ericksen (R-1)
Rep. Kelli Linville (D-2)

District 43
Sen. Ed Murray (D)
Rep. Jamie Pedersen (D-1)
Rep. Frank Chopp (D-2)

District 44
Sen. Steve Hobbs (D)
Rep. Hans Dunshee (D-1)
Rep. Mike Hope (R-2)

District 45
Sen. Eric Oemig (D)
Rep. Roger Goodman (D-1)
Rep. Larry Springer (D-2)

District 46
Sen. Ken Jacobsen (D)
Rep. Scott White (D-1)
Rep. Phyllis Gutierrez Kenney (D-2)

District 47
Sen. Claudia Kauffman (D)
Rep. Geoff Simpson (D-1)
Rep. Pat Sullivan (D-2)

District 48
Sen. Rodney Tom (D)
Rep. Ross Hunter (D-1)
Rep. Deborah Eddy (D-2)

District 49
Sen. Craig Pridemore (D)
Rep. Jim Jacks (D-1)
Rep. Jim Moeller (D-2)

Senate Agriculture & Rural Economic Development
Brian Hatfield, Chair
Kevin Ranker, V. Chair
Mark Schoesler*
Randi Becker
Ken Jacobsen
Bob Morton
Paull Shin

Senate Early Learning & K-12 Education
Rosemary McAuliffe, Chair
Claudia Kauffman, V. Chair (Early Learning)
Eric Oemig, V. Chair (K-12)
Curtis King*
Dale Brandland
Steve Hobbs
Janéa Holmquist
Fred Jarrett
Joe McDermott
Pam Roach
Rodney Tom

Senate Economic Development, Trade & Innovation
Jim Kastama, Chair
Paull Shin, V. Chair
Joseph Zarelli*
Jerome Delvin
Tracey Eide
Derek Kilmer
Bob McCaslin

Senate Environment, Water & Energy
Phil Rockefeller, Chair
Craig Pridemore, V. Chair
Jim Honeyford*
Jerome Delvin
Karen Fraser
Brian Hatfield
Janéa Holmquist
Chris Marr
Bob Morton
Kevin Ranker
Tim Sheldon

Senate Financial Institutions, Housing & Insurance
Jean Berkey, Chair
Steve Hobbs, V. Chair
Don Benton*
Rosa Franklin
Joe McDermott
Linda Evans Parlette
Mark Schoesler

Senate Government Operations & Elections
Darlene Fairley, Chair
Eric Oemig, V. Chair
Pam Roach*
Don Benton
Joe McDermott
Craig Pridemore
Dan Swecker

Senate Health & Long-Term Care
Karen Keiser, Chair
Rosa Franklin, V. Chair
Cheryl Pflug*
Randi Becker
Darlene Fairley
Chris Marr
Ed Murray
Linda Evans Parlette

Senate Higher Education & Workforce Development
Derek Kilmer , Chair
Fred Jarrett, V. Chair
Randi Becker*
Mike Hewitt
Ken Jacobsen
Jim Kastama
Rosemary McAuliffe
Cheryl Pflug
Paull Shin
Val Stevens

Senate Human Services & Corrections
James Hargrove, Chair
Debbie Regala, V. Chair
Val Stevens*
Dale Brandland
Mike Carrell
Claudia Kauffman
Rosemary McAuliffe

* denotes Ranking Minority Member
** denotes Assistant Ranking Minority Member

Standing Committee Assignments

Senate Judiciary
Adam Kline, Chair
Debbie Regala, V. Chair
Bob McCaslin*
Mike Carrell
James Hargrove
Jeanne Kohl-Welles
Pam Roach
Rodney Tom

Senate Labor, Commerce, & Consumer Protection
Jeanne Kohl-Welles, Chair
Karen Keiser, V. Chair
Janéa Holmquist*
Rosa Franklin
Jim Honeyford
Curtis King
Adam Kline

Senate Natural Resources, Ocean & Recreation
Ken Jacobsen, Chair
Kevin Ranker, V. Chair
Bob Morton*
Karen Fraser
James Hargrove
Brian Hatfield
Val Stevens
Dan Swecker

Senate Rules
Lt. Governor Brad Owen, Chair
Rosa Franklin, V. Chair
Mike Hewitt*
Lisa Brown
Tracey Eide
Karen Fraser
Mary Margaret Haugen
Claudia Kauffman
Karen Keiser
Curtis King
Jeanne Kohl-Welles
Chris Marr
Ed Murray
Linda Evans Parlette
Craig Pridemore
Debbie Regala
Mark Schoesler
Val Stevens
Joseph Zarelli

Senate Transportation
Mary Margaret Haugen, Chair
Chris Marr, V. Chair
Dan Swecker*
Randi Becker
Don Benton
Jean Berkey
Jerome Delvin
Tracey Eide
Ken Jacobsen
Fred Jarrett
Jim Kastama
Claudia Kauffman
Derek Kilmer
Curtis King
Kevin Ranker
Tim Sheldon

Senate Ways & Means
Margarita Prentice, Chair
Karen Fraser, V. Chair
(Capital Budget)
Rodney Tom, V. Chair
(Operating Budget)
Joseph Zarelli*
Dale Brandland
Mike Carrell
Darlene Fairley
Mike Hewitt
Steve Hobbs
Jim Honeyford
Karen Keiser
Adam Kline
Jeanne Kohl-Welles
Joe McDermott
Ed Murray
Eric Oemig
Linda Evans Parlette
Cheryl Pflug
Craig Pridemore
Debbie Regala
Phil Rockefeller
Mark Schoesler

* denotes Ranking Minority Member
** denotes Assistant Ranking Minority Member

House Agriculture & Natural Resources
Blake, Brian, *Chair*
Grant-Herriot, Laura*, V. Chair*
Chandler, Bruce*
Smith, Norma**
Jacks, Jim
Kretz, Joel
Liias, Marko
McCoy, John
Nelson, Sharon
Ormsby, Timm
Pearson, Kirk
Van De Wege, Kevin
Warnick, Judy

House Audit Review & Oversight
Miloscia, Mark, *Chair*
Williams, Brendan*, V. Chair*
Johnson, Norm*
Smith, Norma**
Chopp, Frank
DeBolt, Richard
Finn, Fred
Green, Tami
Hasegawa, Bob
Kelley, Troy
Linville, Kelli
Morris, Jeff
Roach, Dan
Short, Shelly
Wallace, Deb
Warnick, Judy

House Capital Budget
Dunshee, Hans, *Chair*
Ormsby, Timm, *V. Chair*
Warnick, Judy*
Pearson, Kirk**
Anderson, Glenn
Blake, Brian
Chase, Maralyn
Grant-Herriot, Laura
Hope, Mike
Jacks, Jim
Maxwell, Marcie
McCune, Jim
Orwall, Tina
Smith, Norma
White, Scott

House Commerce & Labor
Conway, Steve, *Chair*
Wood, Alex, *V. Chair*
Condotta, Cary*
Chandler, Bruce
Crouse, Larry
Green, Tami
Moeller, Jim
Williams, Brendan

House Community & Economic Development & Trade
Kenney, Phyllis Gutierrez*, Chair*
Maxwell, Marcie, *V. Chair*
Smith, Norma*
Chase, Maralyn
Liias, Marko
Orcutt, Ed
Parker, Kevin
Probst, Tim
Sullivan, Pat

House Early Learning & Children's Services
Kagi, Ruth, *Chair*
Roberts, Mary Helen, *V. Chair*
Haler, Larry*
Walsh, Maureen**
Angel, Jan
Goodman, Roger
Seaquist, Larry

House Ecology & Parks
Upthegrove, Dave, *Chair*
Rolfes, Christine, *V. Chair*
Short, Shelly*
Chase, Maralyn
Dickerson, Mary Lou
Dunshee, Hans
Eddy, Deborah
Finn, Fred
Hudgins, Zachary
Kretz, Joel
Kristiansen, Dan
Morris, Jeff
Orcutt, Ed
Shea, Matt
Taylor, David

House Education
Quall, Dave*, Chair*
Probst, Tim, *V. Chair*
Priest, Skip*
Hope, Mike**
Cox, Don
Dammeier, Bruce
Hunt, Sam
Johnson, Norm
Liias, Marko
Maxwell, Marcie
Orwall, Tina
Santos, Sharon Tomiko
Sullivan, Pat

* denotes Ranking Minority Member
** denotes Assistant Ranking Minority Member

Standing Committee Assignments

House Education Appropriations
Haigh, Kathy, *Chair*
Sullivan, Pat, *V. Chair*
Priest, Skip*
Hope, Mike**
Anderson, Glenn
Carlyle, Reuven
Cox, Don
Haler, Larry
Hunter, Ross
Kagi, Ruth
Probst, Tim
Quall, Dave
Rolfes, Christine
Wallace, Deb

House Environmental Health
Campbell, Tom, *Chair*
Chase, Maralyn, *V. Chair*
Shea, Matt*
Orcutt, Ed**
Dickerson, Mary Lou
Dunshee, Hans
Finn, Fred
Hudgins, Zachary
Kretz, Joel
Rolfes, Christine

House Finance
Hunter, Ross, *Chair*
Hasegawa, Bob, *V. Chair*
Orcutt, Ed*
Parker, Kevin**
Condotta, Cary
Conway, Steve
Ericks, Mark
Santos, Sharon Tomiko
Springer, Larry

Financial Institutions & Insurance
Kirby, Steve, *Chair*
Kelley, Troy, *V. Chair*
Bailey, Barbara*
Parker, Kevin**
Hurst, Christopher
McCoy, John
Nelson, Sharon
Roach, Dan
Rodne, Jay
Santos, Sharon Tomiko
Simpson, Geoff

House General Government Appropriations
Darneille, Jeannie, *Chair*
Takko, Dean, *V. Chair*
McCune, Jim*
Hinkle, Bill**
Armstrong, Mike
Blake, Brian
Crouse, Larry
Dunshee, Hans
Hudgins, Zachary
Kenney, Phyllis Gutierrez
Pedersen, Jamie
Sells, Mike
Short, Shelly
Van De Wege, Kevin
Williams, Brendan

House Health & Human Services Appropriations
Pettigrew, Eric, *Chair*
Seaquist, Larry, *V. Chair*
Schmick, Joe*
Alexander, Gary**
Appleton, Sherry
Cody, Eileen
Dickerson, Mary Lou
Ericksen, Doug
Johnson, Norm
Miloscia, Mark
Morrell, Dawn
O'Brien, Al
Roberts, Mary Helen
Walsh, Maureen
Wood, Alex

House Health Care & Wellness
Cody, Eileen, *Chair*
Driscoll, John, *V. Chair*
Ericksen, Doug*
Bailey, Barbara
Campbell, Tom
Clibborn, Judy
Green, Tami
Herrera, Jaime
Hinkle, Bill
Kelley, Troy
Moeller, Jim
Morrell, Dawn
Pedersen, Jamie

* denotes Ranking Minority Member
** denotes Assistant Ranking Minority Member

House Higher Education
Wallace, Deb, *Chair*
Sells, Mike, *V. Chair*
Anderson, Glenn*
Schmick, Joe**
Angel, Jan
Carlyle, Reuven
Driscoll, John
Grant-Herriot, Laura
Haler, Larry
Hasegawa, Bob
White, Scott

Human Services
Dickerson, Mary Lou, *Chair*
Orwall, Tina, *V. Chair*
Dammeier, Bruce*
Green, Tami
Klippert, Brad
Morrell, Dawn
O'Brien, Al
Walsh, Maureen

House Judiciary
Pedersen, Jamie, *Chair*
Goodman, Roger, *V. Chair*
Rodne, Jay*
Shea, Matt**
Flannigan, Dennis
Kelley, Troy
Kirby, Steve
Ormsby, Timm
Roberts, Mary Helen
Ross, Charles
Warnick, Judy

House Local Government & Housing
Simpson, Geoff, *Chair*
Nelson, Sharon, *V. Chair*
Angel, Jan*
Cox, Don**
Hinkle, Bill
Miloscia, Mark
Short, Shelly
Springer, Larry
Upthegrove, Dave
White, Scott
Williams, Brendan

House Public Safety & Emergency Preparedness
Hurst, Christopher, *Chair*
O'Brien, Al, *V. Chair*
Pearson, Kirk*
Klippert, Brad**
Appleton, Sherry
Goodman, Roger
Kirby, Steve
Ross, Charles

House Rules
Chopp, Frank, *Chair*
DeBolt, Richard*
Armstrong, Mike
Bailey, Barbara
Eddy, Deborah
Ericks, Mark
Green, Tami
Hasegawa, Bob
Hinkle, Bill
Hudgins, Zachary
Johnson, Norm
Kelley, Troy
Kessler, Lynn
Kretz, Joel
Kristiansen, Dan
Liias, Marko
Moeller, Jim
Morrell, Dawn
Morris, Jeff
Santos, Sharon Tomiko
Schmick, Joe
Springer, Larry
Van De Wege, Kevin
Warnick, Judy

House State Government & Tribal Affairs
Hunt, Sam, *Chair*
Appleton, Sherry, *V. Chair*
Armstrong, Mike*
Alexander, Gary
Flannigan, Dennis
Hurst, Christopher
Miloscia, Mark
Taylor, David

* denotes Ranking Minority Member
** denotes Assistant Ranking Minority Member

Standing Committee Assignments

House Technology, Energy & Communications

McCoy, John, *Chair*
Crouse, Larry*
Haler, Larry**
Carlyle, Reuven
Condotta, Cary
Eddy, Deborah
Finn, Fred
Hasegawa, Bob
Herrera, Jaime
Hudgins, Zachary
Jacks, Jim
McCune, Jim
Morris, Jeff
Takko, Dean
Taylor, David
Van De Wege, Kevin

House Transportation

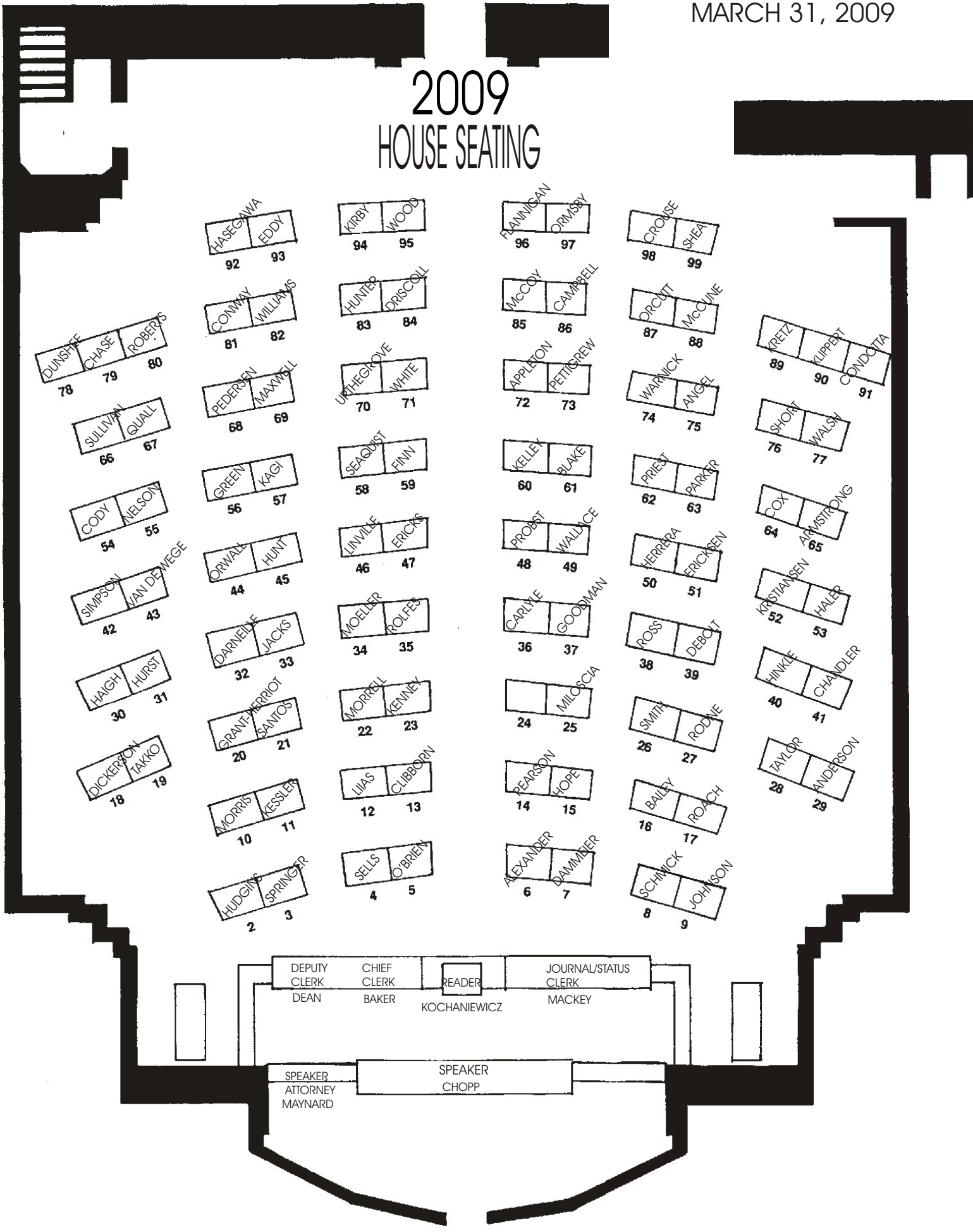
Clibborn, Judy, *Chair*
Liias, Marko, *V. Chair*
Roach, Dan*
Rodne, Jay**
Armstrong, Mike
Campbell, Tom
Cox, Don
Dickerson, Mary Lou
Driscoll, John
Eddy, Deborah
Ericksen, Doug
Finn, Fred
Flannigan, Dennis
Herrera, Jaime
Johnson, Norm
Klippert, Brad
Kristiansen, Dan
Moeller, Jim
Morris, Jeff
Rolfes, Christine
Sells, Mike
Shea, Matt
Simpson, Geoff
Springer, Larry
Takko, Dean
Upthegrove, Dave
Wallace, Deb
Williams, Brendan
Wood, Alex

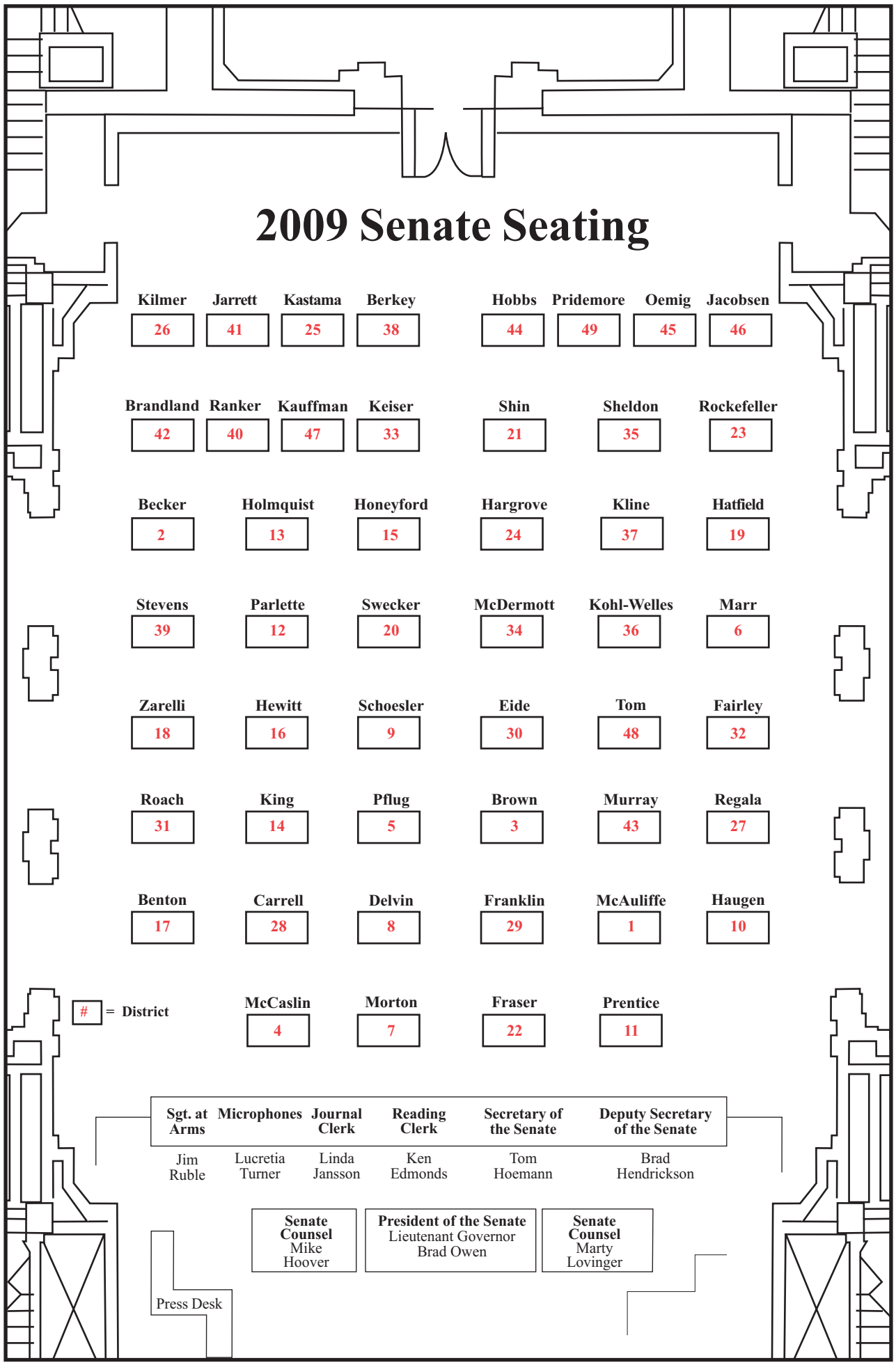
House Ways & Means

Linville, Kelli, *Chair*
Ericks, Mark, *V. Chair*
Alexander, Gary*
Bailey, Barbara**
Dammeier, Bruce**
Chandler, Bruce
Cody, Eileen
Conway, Steve
Darneille, Jeannie
Haigh, Kathy
Hinkle, Bill
Hunt, Sam
Hunter, Ross
Kagi, Ruth
Kenney, Phyllis Gutierrez
Kessler, Lynn
Pettigrew, Eric
Priest, Skip
Ross, Charles
Schmick, Joe
Seaquist, Larry
Sullivan, Pat

* denotes Ranking Minority Member
** denotes Assistant Ranking Minority Member

2009
HOUSE SEATING




2009 Senate Seating
Kilmer 26
Jarrett 41
Kastama 25
Berkey 38
Hobbs 44
Pridemore 49
Oemig 45
Jacobsen 46
Brandland 42
Ranker 40
Kauffman 47
Keiser 33
Shin 21
Sheldon 35
Rockefeller 23
Becker 2
Holmquist 13
Honeyford 15
Hargrove 24
Kline 37
Hatfield 19
Stevens 39
Parlette 12
Swecker 20
McDermott 34
Kohl-Welles 36
Marr 6
Zarelli 18
Hewitt 16
Schoesler 9
Eide 30
Tom 48
Fairley 32
Roach 31
King 14
Pflug 5
Brown 3
Murray 43
Regala 27
Benton 17
Carrell 28
Delvin 8
Franklin 29
McAuliffe 1
Haugen 10
= District
McCaslin 4
Morton 7
Fraser 22
Prentice 11
Sgt. at Arms
Jim Ruble
Microphones
Lucretia Turner
Journal Clerk
Linda Jansson
Reading Clerk
Ken Edmonds
Secretary of the Senate
Tom Hoemann
Deputy Secretary of the Senate
Brad Hendrickson
Senate Counsel
Mike Hoover
President of the Senate
Lieutenant Governor
Brad Owen
Senate Counsel
Marty Lovinger
Press Desk